

Human Capital in the New Legal Ecosystem



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Executive Summary

The COVID-19 pandemic has changed working practices across the globe. It has been predicted that as much as 80 percent of the legal workforce will remain transient or permanently working from home after the COVID-19 crisis ends, with only around a fifth as full-time office workers. Although law firms typically weather downturns better than the overall economy, revenues, working practices, and working culture will all change. The expected economic downturn may not directly translate into a decline for professional services, as market difficulties, regulatory responses, stimulus programs, changes in employment, and other stressors provide potential sources of demand – particularly in the legal sector.

What is clear is that personnel issues will come to the fore, and law firm leaders will have to respond proactively, both to mitigate risk and to make the best of a challenging and changing situation. Transitioning from an industry famed for office working to one that is more responsive, flexible and individualistic will provide as many opportunities as it will challenges.

Economic pressures of the past decade have been forcing law firms, in-house law departments, and others to look for ways to improve the quality of legal services while reducing cost. The COVID-19 pandemic has accelerated those efforts. Chapter one, by Michael Roster, formerly managing partner of Morrison & Foerster's Los Angeles office, surveys ways to have junior lawyers functioning at mid- and even senior-associate levels; how to incentivize partners to implement more efficient yet more profitable staffing models; ways to improve client satisfaction and outcomes; and ways to restore high realization rates for law firms. Some might think this all is impossible. In fact, it's very doable, and those firms and companies that hesitate are going to be the losers in a rapidly changing legal market.

Seventy-five percent of lawyers do not think that the law is a service industry. This is the single biggest commercial issue for law firms. Chapter two, by Jon Whittle, challenges law firms to address the structural flaw that

will prevent many of them building competitive, commercially successful businesses in the new legal ecosystem. Law firms need to know how to recruit, manage, and advance non-legal skills to help drive their business forward. For generations, law firms have only ever been run by lawyers and in this chapter Jon investigates what skillsets are missing in many firms and, crucially, how law firms can incorporate the non-legal skills they absolutely need to thrive. Equally importantly, he explains how law firms need to address their culture and structure so that disciplines such as sales, marketing, HR, and customer service can shape the commercial direction of the business. No other industry puts their commercial strategy solely in the hands of the people that make the product, and yet, law firms contrive to put 99 percent of the control in the hands of lawyers. Success in the new ecosystem will require this to change.

Chapter three, by Jennifer Johnson, CEO and founder of Calibrate Legal, and Erin Meszaros, chief business development and client service officer at Eversheds Sutherland, discusses the professionalization of business services talent. The world is changing and so is the talent needed for a law firm business services group to really rise to the next level. With the focus on innovation and change, it only seems right that you would build a team of diverse individuals who have in-house legal services experience as well as those with non-legal services experience. This chapter focuses on strategies to support the need for business services professionals from non-legal backgrounds to really maximize a team's efforts, as well as realize the benefit of bringing those non-legal and legal backgrounds together.

An organization's culture is an intricately woven fabric of values, standards, traditions, and behavioral norms. Each law firm has a unique culture, often one that has been inherited rather than actively shaped and directed. It is most easily defined, not by a vision statement or set of values promoted on the website, but how its people actually behave and how firm policies and leaders inculcate, reinforce or deviate from the behaviors of the stated culture. The COVID-19 pandemic has forced law firms to shift their operating models and to adeptly move to a remote work environment. This has had significant impacts on the way firms communicate with and support clients and employees, how work is completed and delivered, and has tested many traditional norms and assumptions in how law firms and partnerships sustain themselves.

Chapter four, by Susan Duncan of Rainmaking Oasis, includes the core components of law firm culture, how the pandemic has changed traditional models and culture, how to assess the culture you have, as well as approaches for improving your culture to compete in the future.

In 2016, the publication of two prominent studies of lawyers and law students in the US highlighted the disproportionate rate at which these groups experienced substance use and mental health disorders. In response, the National Task Force on Lawyer Well-Being published recommendations for addressing these issues and calling upon the legal profession to go from a culture of ill health to one that prioritizes wellbeing. Recommendations for legal employers, particularly mid- to large-size law firms, were incorporated into the WellBeing Pledge Campaign, an ongoing project of the American Bar Association's Commission on Lawyer Assistance Programs. Initial results from Pledge signatories demonstrate that many US and global law firms are adopting a variety of creative and comprehensive strategies to promote the wellbeing of their attorneys and staff. In chapter five, Bree Buchanan and Jonathan Beitner highlight some of the most exciting and innovative initiatives currently being implemented by some of the most successful firms in offices around the world, offering many lessons relevant to these challenging times.

Chapter six, by Renee Branson, builds on this, looking at how COVID-19 has changed our understanding and prioritization of wellbeing in the workplace. The legal industry, in recent years, has begun to place greater emphasis on mental wellbeing, and the COVID-19 pandemic shifted nearly everything about the way we work, meaning the pursuit of mental health and resilience will accelerate. New challenges to our wellbeing emerged, and pre-existing ones were exacerbated. Renee begins by investigating the impact of this global pandemic on mental health, productivity, and cognition. She then answers the question of how to create a culture of resilience that mitigates those harmful impacts. Renee explores the various domains and skills that make up a resilient mind and, ultimately, a resilient organization.

Chapter seven then looks at culture from a generational standpoint. With so much attention focused on generational challenges in the workplace, asks Lauren Stiller Rikleen, president of the Rikleen Institute for Strategic Leadership, why have we still not reached a demographic détente? In the legal profession, the level of disquiet and frustration that exists between partners and associates can be higher than in other workplaces where there is a greater programmatic focus on talent retention and management. But the important tasks of strengthening client service and building a client base for the future is dependent on bridging these divides.

The generational challenges experienced among Boomers, Gen Xers, and Millennials may soon be exacerbated as future Gen Z lawyers come

of age and enter the workplace. The oldest members of this generation are likely in law school, while the youngest are just beginning their grade school journey. All are experiencing the effects of a pandemic at a deeply vulnerable time, resulting in the disruption of their education and social development.

How members of Gen Z will integrate into the workplace is currently an open question. Their lost opportunities may have long-term effects on some aspects of their development, but they may also emerge with a deep reservoir of grit and resilience. The sustainability of any law firm requires that these strengths and weaknesses be recognized and addressed. This chapter explores the generational conversations that need to take place in an increasingly competitive profession. Building a future that is client-focused requires a greater investment in and willingness to understand the backgrounds and experiences that shape generational patterns. As with all relationships, opening lines of communication is the first significant step to developing a blueprint for successful growth.

For many legal businesses, the impact of COVID-19 has been felt most powerfully as a forcible shove into a new world of homeworking. As an accelerator, the pandemic has opened the gates to a new way of working that was perhaps already lumbering over the horizon. But are we ready to close the doors on the office? In chapter eight, Clare Harman Clark of Taylor Wessing discusses the fact that many lawyers are currently finding that it's less a case of working from home, more living at work – but the touted benefits of flexibility and balance are still tantalizing. If the future of work is to make the very most of this chance to rebase our working lives, is it truly possible to find a way of replicating digitally the collaboration and inspiration of the office that we miss out on at home? How might office spaces themselves be redesigned to better facilitate those features, and tempt workers back?

The force of change for employees has been dramatic in recent months. The coronavirus pandemic has driven through new ways of working, with staff being required to respond and adapt in the moment. The ongoing threat of the virus, and the resulting economic downturn, has created uncertainty about the future, bringing employee relationships and employee engagement front and center, for both the immediate and longer-term. Research shows that organizations with actively engaged employees outperform across the board. To maximize performance and maintain a competitive edge, therefore, it is an essential component of business strategy, and is more important than ever. Chapter nine by Chris Marston of LawNet highlights the current thinking, as well as technical tips and operational examples.

Chapter ten forms a case study. Chris Boyd, Allison Blixt, and Jullia Carretta collectively oversee professional development, diversity and inclusion, and employee engagement at Wilson Sonsini Goodrich & Rosati, and the case study demonstrates how the firm has adapted those to meet the logistical and human challenges of the pandemic and a fully remote work environment. The firm has taken a multi-pronged, collaborative approach to address challenges including moving everyone virtual, communicating and managing across 1,600 offices, maintaining well-being when work and home life merge, and connecting with colleagues and clients. Underlying all of these is a focus on supporting its diverse talent and developing additional D&I initiatives.

Our final chapter, by Tim Corcoran, looks at how the pandemic has exacerbated the need to recognize the different incentives that are required to allow lawyers to pursue different definitions of their highest and best use. Law firms have indisputably evolved into more complex businesses, and like all businesses, it requires a variety of skills and talents to run one effectively. However, too many law firm cultures recognize and reward but one contribution from their owners - billing time. Delivering legal services will always be critical, but other contributions have grown to be equally important. Developing and shepherding strategy, managing client relationships, managing lawyers and staff, generating new revenue streams, innovating to create competitive advantages, and managing daily operations are just a few of the tasks that law firm partners must take on, and not everyone is suited to these roles. In the new legal ecosystem, modern law firms must recognize and reward these meaningful contributions in order to remain competitive.

About the authors

Jonathan Beitner is an attorney, certified coach, and frequent speaker and author on topics related to attorney development and wellbeing. He helps attorneys identify and achieve their professional and personal goals, and works with firms, law schools, and bar associations to help their lawyers, students, and staff be more productive, happier, and healthier. As a co-creator of the American Bar Association's Well-Being Pledge, a lead organizer for the first annual Lawyer Well-Being Week, and chair of the ABA Commission on Lawyers Assistance Programs' Well-Being Committee, Jonathan has experience creating and implementing industry-wide initiatives to help lawyers thrive. Jonathan previously practiced as a commercial litigator at Jenner & Block LLP and clerked for federal judges on the Sixth Circuit and Eastern District of Michigan after graduating from the University of Michigan Law School.

Allison Blixt is director, professional development, diversity and inclusion at Wilson Sonsini Goodrich & Rosati, based in the New York office. Allison leads the firm's professional development and diversity and inclusion teams, strategies and initiatives. This encompasses lawyer and staff development, diversity and inclusion, wellbeing and engagement, legal training, and internal and client CLE programs. Allison has an undergraduate degree from Vassar College and a law degree from the University of North Carolina School of Law. Before joining Wilson Sonsini, she was a corporate lawyer in New York and London and then transitioned into law firm PD and D&I in London.

Chris Boyd is the chief operating officer of Wilson Sonsini Goodrich & Rosati in Palo Alto, California. Chris leads the firm's teams that handle attorney recruiting, business development, diversity and inclusion, human resources, knowledge management, marketing, practice management, professional development, research and information services, and work allocation. These teams work with firm and practice leaders to implement processes, programs, and tools that support the

firm's business goals and help the firm deliver more value to clients. Chris has an undergraduate degree from Princeton University and a law degree from Stanford Law School. Before joining Wilson Sonsini's management team, he worked as a management consultant, corporate and securities lawyer, and technology company knowledge management leader. He is a member of the board of directors of the International Legal Technology Association and the board of trustees of the College of Law Practice Management.

Renee Branson is the founder and principal at RB Consulting. Combining 20 years in education, counseling, and non-profit leadership, her passion and purpose is helping individuals, teams, and organizations cultivate resilience. After years of working with survivors of trauma she now teaches others the skills of resilience for workplace wellbeing. As a certified resilience coach (CReC), she provides clients with immediately usable tools to increase resilience, wellbeing, and optimism in the workplace. She works with lawyers, educators, business professionals, non-profit leaders, and others to help them understand and incorporate resilience in their own professional lives and in the teams they lead. Renee is a member of the American Bar Association's Attorney Wellbeing Committee. Renee speaks to international audiences on resilience and wellbeing, including as a guest lecturer at the UCLA School of Law. She holds an MA in counseling psychology from the University of Colorado and a BS from The Ohio State University.

Bree Buchanan is founding co-chair of the National Task Force on Lawyer Well-Being and is a co-author of its groundbreaking 2017 report, *The Path to Well-Being: Practical Recommendations for Positive Change*. Bree is chair of the ABA Commission on Lawyers Assistance Programs (2017-2020) which works to ensure assistance is readily available for those in the legal community experiencing issues related to substance use or mental health issues. As director of the Texas Lawyers Assistance Program from 2013 until retirement in 2018, she worked with individual lawyers experiencing these issues, and with legal employers who were seeking resources and support for their staff. Her tenure with that program followed a two-decade legal career that included positions as a litigator, lobbyist, and law professor. She is now senior advisor with Krill Strategies, LLC, providing consultation on issues related to lawyer wellbeing and impairment for major US and global legal employers.

Bree is a frequent speaker for international and national law-related organizations, as well as global law firms on strategies for lawyer

wellbeing and impairment. In 2018, she was awarded the “Excellence in Legal Community Leadership Award” by Hazelden Betty Ford Foundation. She has shared her own story of recovery as a featured guest on podcasts in the United States and Canada.

Jullia Carretta is professional development and diversity manager at Wilson Sonsini Goodrich & Rosati in Palo Alto, California. Jullia collaborates with key stakeholders to develop and implement the firm’s diversity and inclusion strategy and initiatives. She serves as a liaison to clients and external organizations dedicated to increasing diversity in the legal profession. Jullia has a bachelor’s degree in Political Science, with an emphasis in Middle Eastern Studies from the University of California, Santa Barbara. Before joining Wilson Sonsini, she worked in recruiting and development at two other law firms. Between recruiting roles, Jullia spent some time adventuring in Korea, teaching English to young children and exploring southeast Asia. She is an active member in the Association of Law Firm Diversity Professionals, Corporate Inclusion Diversity Consortium and the National Association for Law Placement.

With more than 25 years of hands-on professional service experience, **Erin Corbin Meszaros** helps Eversheds Sutherland (US) attorneys turn business strategies into business successes. Through various firm initiatives she develops innovative solutions designed to enhance client satisfaction and increase brand awareness. Erin works one-on-one with attorneys on their professional and business development opportunities to help integrate and align their individual initiatives with the firm’s overall business objectives. She also guides and supports practice groups and sectors to ensure the firm’s strategic goals are met.

Erin’s career includes numerous successful business initiatives, such as implementing and executing a firm’s five-year strategic plan, implementing and executing a forward-thinking client feedback program, initiating and completing a re-branding campaign, conducting an in-depth client relations coaching program, and creating a unique customer relationship management (CRM) database course, which effectively increased firm-wide usage.

Timothy B. Corcoran is a legal management consultant with offices in New York, Charlottesville, and Sydney and a global client base. He’s a keynote speaker, author, and legal commentator. Tim brings his deep experience from over two decades as a senior corporate executive to guide law firm and law department leaders through the profitable

disruption of outdated business models. His disruptive, confident, and sometimes irreverent stage presence enables him to bring levity to topics of particular gravitas, while masterfully navigating tough discussions from a refreshing perspective. Audiences embrace Tim's simplification of complex concepts, his practical and actionable advice, and his deep understanding of both the psychology and economics of change.

As a change agent, Tim's focus is on helping law firms operationalize their strategy, improve profits with project management and process improvement, embrace profitable alternative fee arrangements, assess and improve partner compensation plans, design new financial metrics and dashboards, build effective operations, train current and future leaders, refine business development skills, and embrace technology. Tim helps law departments embrace performance analytics, better manage outside counsel, and improve business velocity. Tim also advises legal service providers on sales effectiveness and go-to-market strategy.

Susan Duncan has provided management and business development consulting to more than 160 law firms and professional service organizations and coaching services to nearly a thousand individual professionals since 1987. Her consulting firm advises firms, practice groups, and individual professionals on firm and practice/sector strategy and leadership, business and practice development, succession planning, client development, feedback and needs assessment interviews, lateral integration strategies, firm values, visions and culture, and innovation. She also consults and provides coaching to individual and groups of women, attorneys of color, and other underrepresented minorities.

Susan has been an innovator in the profession, having served as one of the first in-house professional development directors in the country in 1982, one of the first law firm marketing directors in 1984, and is a founding member of the Legal Marketing Association. In 2002, she launched a software version of her personal marketing planning and coaching system called RainMinder® – “Mind your business, grow it every day”.

Prior to forming her first consulting business in 1987, Susan worked in two national law firms where she assisted in organizing efforts in client and practice development, communications and public relations, governance and planning, attorney recruitment, performance evaluation and training and paralegal management. From 2011 to 2012, Susan went back in-house and served as global chief strategy and development officer of a 1,250 lawyer firm with 37 offices in 17 countries.

Clare Harman Clark is a senior professional support lawyer at Taylor Wessing LLP, building on a legal career that began with nearly a decade at Clifford Chance and a stint at Russell Cooke. Before retaining as a lawyer, Clare worked as a journalist and within a government press office, and still regularly publishes articles in national and trade press.

Jennifer Johnson prepares today's law firms for tomorrow's legal marketplace. She calls upon nearly 20 years of experience inside, and as a consultant to, law firms to deliver industry-leading strategy and executive search services. Law firms around the world rely on Jennifer to find sophisticated talent – impact players who will bolster their brands and bottom lines. Legal marketing teams rely on Jennifer for the tools and training they need to drive performance and ROI. As the driving force behind the Revenue Enabler movement, Jennifer is passionate about eliminating the “non-lawyer” phrase and mentality. She speaks and writes on the topic regularly, and she guides Calibrate Legal's consulting services and product development.

Chris Marston is chief executive of LawNet, one of the leading providers of specialist support for law firms in the UK and Ireland. Formerly with Lloyds Banking Group, where he instigated and headed the specialist division for professional practices, he also spent many years in commercial banking, working with owner-managed businesses of all sizes. Widely respected as a champion of innovation in legal sector leadership and a well-known voice in the sector, he lobbies on behalf of network members, which range from £2m to £25m turnover.

LawNet operates as a collaborative, mutually-owned national network where independent law firms access big firm resources and benefit from collective purchasing, shared knowledge, best practice and specialist expertise. There are currently some 70 member firms and a condition of membership is that firms achieve and maintain the LawNet ISO 9001 standard and associated Mark of Excellence.

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, Michael was appointed general counsel of Stanford University, Stanford Medical Center, and Stanford Management Company. He subsequently was executive vice president and general counsel of Golden West Financial Corporation. Michael has also served as chair of the Association of Corporate Counsel, an 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 non-profit organization that evaluates the effectiveness of government and other programs affecting lower- and moderate-income families and individuals.

Lauren Stiller Rikleén, founder and president of the Rikleén Institute for Strategic Leadership, is a preeminent provider of training, speaking, and consulting services to professional services entities, businesses, and organizations seeking to create an engaged, respectful, diverse, and inclusive culture. As a former law firm equity partner, Lauren managed an environmental law practice and frequently served as a mediator. For two decades, she was selected by her peers to be listed in *Best Lawyers in America*. She has also been included in *Chambers USA America's Leading Business Lawyers* and in *Massachusetts Super Lawyers*.

Lauren is the author of four books, including *The Shield of Silence: How Power Perpetuates a Culture of Harassment and Bullying in the Workplace*, and *You Raised Us – Now Work With Us: Millennials, Career Success, and Building Strong Workplace Teams*.

Lauren has served in numerous leadership roles within the American Bar Association, including as a member of the Board of Governors, chair of the Section of Civil Rights and Social Justice, and as a member of the ABA Journal Board of Editors. She currently is co-chair of the Women's Caucus and a member of the Standing Committee on Publishing Oversight. Among many other leadership roles in her community and profession, Lauren is a former president of the Boston Bar Association. She is the recipient of numerous awards, including the American Bar Association's Margaret Brent Women Lawyers of Achievement Award and being named by Public Media's Next Avenue as one of the 50 Most Influential People in Aging.

More detailed information about Lauren and her background is available on the Rikleén Institute website at www.RikleénInstitute.com.

For the last ten years, **Jon Whittle** has been working on the future of law firms, focusing on strategies and tactics that help firms build sustainable, competitive advantage. Working in a senior leadership role at LexisNexis he has introduced cutting edge market research and thought leadership and is a recognized authority on how law firms can build and grow. He is also the architect and author of the widely read LexisNexis Bellwether

Reports, which now play an important role in shaping the strategic development of law firms. Previously, Jon worked for two decades delivering commercial growth, at board level, in some of the UK's largest media companies and he applies the fruits of this experience, successfully, to the world of law firm development. Jon is particularly focused on helping law firms deliver commercial change with an emphasis on strategic development, successful project management, implementing new technologies, and evolving business operations. Jon is a specialist in building growth and value using market intelligence and customer insight. Jon is a regular speaker at legal conferences and seminars and is frequently asked to contribute thinking on the strategic future of legal markets.