

Where did all the fun go?

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In the brave new world of Six Sigma, LPO and BPR it is all too easy to forget that, for the vast majority, this approach to legal service delivery isn't what was signed-up to when entering the profession.

However, with pricing under pressure and a fixed-fee basis increasingly the norm, better management is needed. But modern business practices, information technology, knowledge management and the rise of artificial intelligence are widely viewed as the enemies. They are seen as disruptive forces altering a comfortable status quo forever.

The impact of the fast-developing industrialisation of the legal sector was brought home to me recently. I was speaking at a partner retreat about the changes sweeping the profession and their implications.

In the ensuing discussion, one partner spoke solemnly and with an air of deep regret. "This is all very well" he intoned "but what about the fun?"

In this, perhaps unwittingly, profound observation he summarised the dilemma and the tension evident in the legal profession as it struggles to redefine itself.

It is clear many fear that the very essence of "being a professional" is in danger of being lost amongst the de-skilling, homogenising, unbundling, project managing and service delivering which are the staple diet of the day.

When one discusses what it means to be a professional, what emerges is that challenging work requiring expertise, experience and judgement for interesting and dynamic clients is what really excites us. In other words, we are motivated by the assignments which require genuine advice rather than simply the monotony of process.

But we still need to make profit to survive in business and a deep rooted problem lies in the application of the old rules of pricing to the new world of value competition.

Any matter is made up of a small number of points of high-level advice interspersed with large volumes of process. In an hourly-charge model, the lawyer virtually gives away this strategic

advice as a couple of six-minutes units but is compensated by many hours of charging for the process that ensues. This approach is not sustainable.

We need to price on the basis of the true value of the advice and have a back-office which delivers process as efficiently as possible. In this paradigm, advances in technology are friend rather than foe.

It nonetheless remains true that a very different operating model will be needed to succeed in this new world. Even with a clear picture of what is required, this transition will be both difficult and painful. However by stripping away unnecessary cost and improving the execution of strategic decisions, lawyers will again be able to focus on the fun parts of their profession – giving strategic advice, developing client loyalty and managing dynamic relationships.

