



BY HEATHER SUTTIE

The Modern Dinosaur

Sidestep timeworn processes, hire turnaround management — and let them do their jobs



LIKE MODERN-DAY dinosaurs, many law firms are woefully late in adopting a business-development and sales-management mentality — and they must get on with it fast.

Other disciplines, such as accounting and consulting, were much quicker at cultivating a business mindset and sales culture. For these professions, change first came in the early 1990s, by adopting facets of Six Sigma and Lean Management — business philosophies that focused on high-efficiency practices (mainly for use in the manufacturing sector), such as just-in-time delivery. Now these processes, like anything three decades old, are showing their age.

Many of the major accounting firms revisited their business processes in the 1990s with an understanding that, while you need to consider expenditures, you've also got to spend money to make money. Law firms are good at cutting expenses, but are generally poor at long-term planning and financing their operations into the future.

For example, because some firm's compensation models seem carved in stone, many continue to offer services based on internal practice structures rather than externally focused industry strengths. Also, many firms aren't upgrading their infrastructure and technology that support the work product of lawyers and staff — and that's resulting in lost productivity.

Generally speaking, the accounting profession resolved these issues many years ago

by organizing offerings according to industry and by investing in client-relationship management (CRM) tools, databases and computer systems that retain cutting-edge sophistication precisely because they are updated almost annually.

> LIVING IN THE PAST

“This is the way we've always done it.” It's an excuse heard in the halls of many firms, and it is a cop-out — intended to avoid change and the expense inherent to it.

Change is hard and can have a high price tag. That being said, changing now will be a lot easier and cheaper than waiting until it's nearly too late and you're in peril of losing your differentiating edge. By then it's highly likely you will have lost competitive market advantage along with the ability to develop business on a consistent basis. At this point, change will be forced, ferociously expensive, and painful.

In the 1990s, Six Sigma and Lean Management suggested a handful of processes for accounting firms that were looking to eliminate waste. However, these processes focused primarily on “doing more with less” rather than “doing better efficiently,” which is really what law firm clients want. Not to mention, publicly trumpeting the adoption of these dated processes now will only demonstrate the extent to which many law firms are behind the times and breathing everyone else's dust.

Wouldn't it make more sense to fast-forward this evolution, rather than waste time we don't have going through processes that other professions went through years ago? Firms with guts and gumption are better off bringing in professional “turnaround” management — armed with hands-on experience — and getting out of their way long enough for them to retool the firm for a smoother, smarter future.

> SIGNS OF THE TIMES

A couple of accounting firms have acquired law firms over the last 12 months. Deloitte took immigration firm Shouli & Partners LLP and document-review company ATD Legal Services PC under its wing, while PwC brought immigration firm Bomza Law Group into the fold.

While these moves may be recent, they're nothing new. The launch in 2003 of tax law firm Couzin Taylor LLP and business immigration law firm Egan LLP were both a direct outcome of Ernst & Young's ill-fated attempt at a multidisciplinary practice after hatching an in-house law firm, Donahue & Partners LLP, in 1997.

James Egan was one of four people who joined Donahue from Fraser & Beatty LLP in 1998. Today, Egan manages a team of 140 as the Leader of EY LLP's Global Immigration practice. He says he's not surprised that other Big Four professional-services firms are following EY's lead. “International perspective and operating globally” are benefits of such an alliance, says Egan. “Clients value an integrated approach with other professions. For immigration, it's more likely that international scope comes into play.”

He cautions that this type of alignment isn't for everyone: “A law firm needs to seek what market it wants to serve. You have to look in the mirror and be honest.”

Business is basic: play to your strengths, do what you do well and keep your tools sharp. Law firms would be well-advised not to get caught up in timeworn processes and instead carve off practices outside their core expertise, solidify target markets, listen to clients, hire professional turnaround talent, and join the modern world. 🐲

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