



# The Changing State of the Legal Industry: Where We Are and Where We Are Going?

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# Agenda

- Drivers of Change in the Legal Industry
- Impact on Law Firms
- Impact of Change on Talent Management in Law Firms
- Impact of Change on Knowledge Management in Law Firms

# The Drivers of Change

# The Drivers of Change: The Markets

The complex needs of global markets and sophisticated clients will continue to increase the need for law firms to focus on the strategic development and management of talent

**Pipeline of legal talent =  
Pipeline of client work**



# The Drivers of Change: Technology

The rapidly increasing impact of technology has changed not only how work gets done but the nature of the work itself and how people are employed and prepared for work

- Technology and more sophisticated buyers
  - Technology and segmentation or disaggregation of legal work (Susskind)
- Technology and the evolution of LPOs
- Eand M-Learning and Social Media



# The Drivers of Change: Changing Workforce

The challenges of employing, managing and developing an increasingly multigenerational, differently skilled and multicultural pool of attorneys

- Multinational companies/clients
- Globalization of the legal industry
  - Globalization of the workforce
    - Cultural Competency
    - Different career paths
- Succession planning for 21<sup>st</sup> century law firms



# **Drivers of Change: In-House Counsel**

- **Greater access to information**
- **Increasingly sophisticated buyers of legal services**
- **Changing role of outside versus inside counsel (trusted business adviser)**
- **Mismatch of law firm and client revenue models (rising rates for billed hours versus increased efficiency and alternate fees)**

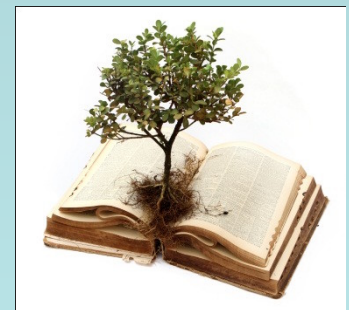


# Impact of Change on Law Firms



# Impact of Change on Law Firms

- Business models
- Staffing models
- Leadership profiles
- Competency Models and Talent Management
- Knowledge Management



# Multiple Law Firm Business Models Emerging

- Traditional pyramid leverage model
- Reverse pyramid
- Diamond
- Block



# What business model will work?

- Axiom (Since 2000 in US and UK - virtual law firm/Law Firm 2.0 - consultants)
- Quality Lawyers network (Since May 2010 in UK –pool resources for marketing)
- Merge into multi-national large firms: DLA Piper; SNR Dentons; Mayer Brown JSM; Hogan Lovells
- Build closer relationships with LPOs: Allen & Overy, Eversheds, Simmons & Simmons

# What staffing model will work?

- Partnership track (up or out)
- Alternative career tracks
- Lateral hires
- Contact attorneys
- LPOs



# Leadership

A photograph showing the backs of four people in business attire walking away from the camera on a wide bridge. The bridge has a yellow center line and stretches into the distance under a clear blue sky. A dark blue banner with white text is overlaid on the lower half of the image.

**Do Law Firms Have the Leaders  
They Need?**

**And What Are They Doing to Identify, Train, and Prepare Them to Lead?**



# Leadership

**Different, innovative, new...**

- Different generations: Baby Boomers versus Gen X and Gen Y
- Different background: Diversity (decreased in the US as a result of RIFs)
- Different skills: for different law firm business and staffing models

# Leadership: Different Skills

- Change
- Adaptability
- Flexibility
- Innovation
- Creativity
- Vision
- Empathy
- Communication
- Relationship building
- Project/matter management
- People management
- Strategic Management
- Financial management

# How will these leadership skills be developed?

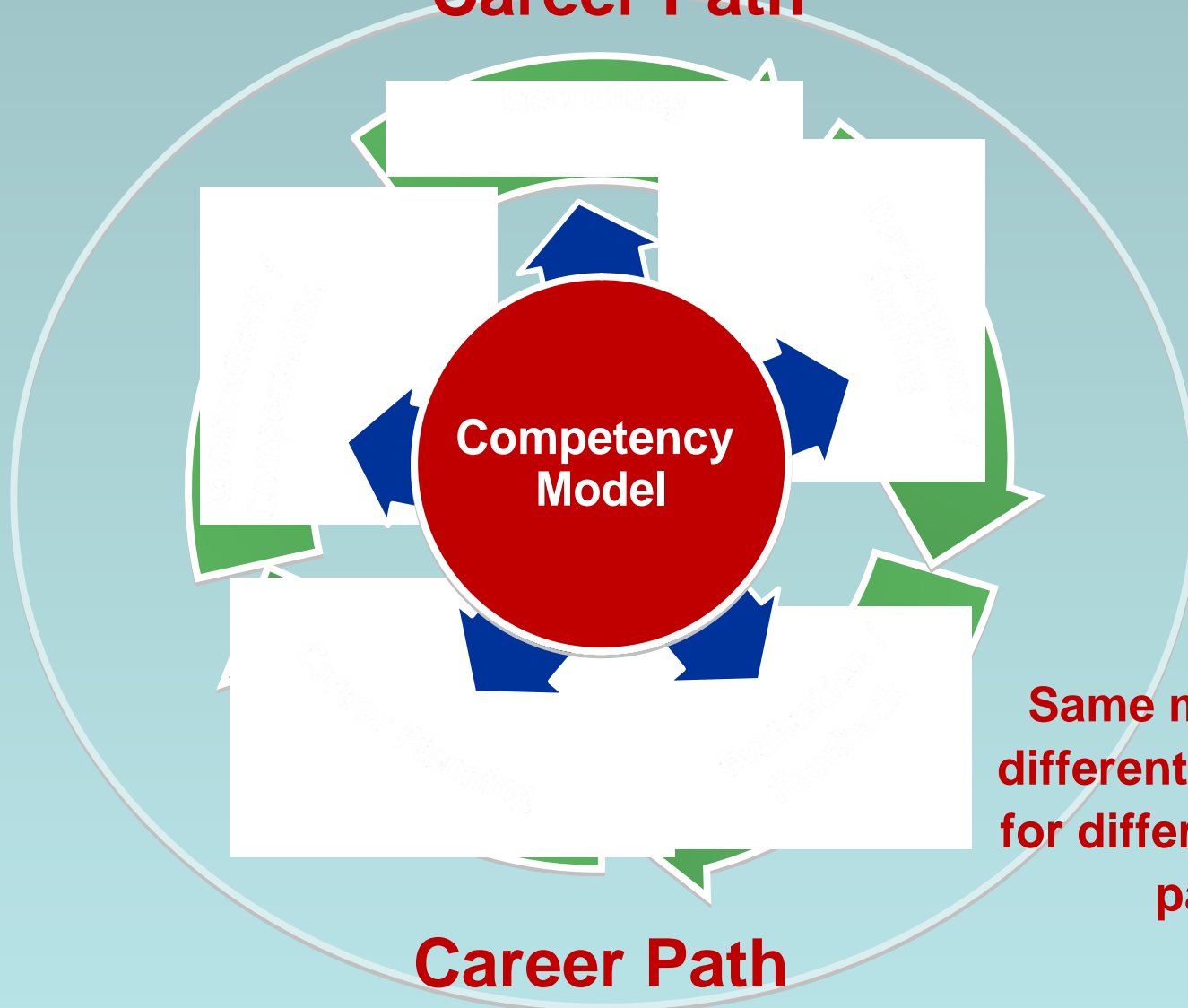
- In-house programs
- Firm-business school collaborations
- “Joint degree programs” – Milbank Tweed
- Partners roles
- Partner competencies
- Upward and 360 feedback



# Impact of Change on Talent Management

# Law Firm Competency Based Development Models

## Career Path



**Same model but  
different outcomes  
for different career  
paths**

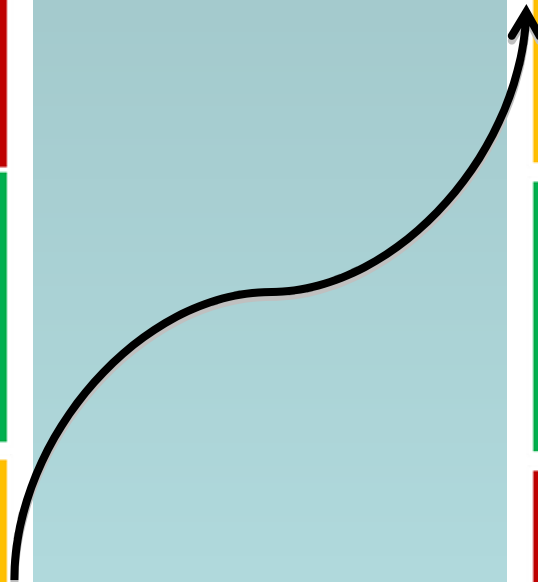
## Career Path

# Changes: Law Schools Mirror Law Firms

## Law Firms



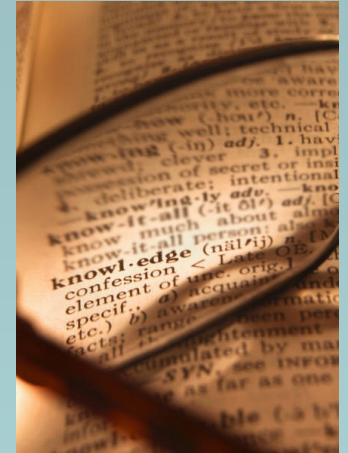
## Law Schools



# Impact of Change on Knowledge Management

# Knowledge Management

- Access to knowledge tied to increased efficiency (PSLs)
- New knowledge required (global and market focused)
- New partnerships (with PD)
- New roles and recognition of specialization (PSLs, Chief Knowledge Officers)





**And over to Sandee...**

# Agenda

- **The Knock on Effect of the Drivers of Change For Law Schools**
- **Impact For Law Schools**
- **Where Do Law Schools Go From Here?**
- **Schools Are Responding**
- **How You Can Help?**

# The Knock on Effect of the Drivers of Change



**There is . . . a gap  
between what law  
schools think  
they're doing and  
what law firms  
think they are  
buying."**

***Phillip Bradley, Senior Vice President  
and General Counsel for Duane  
Reade***



# Headlines

- *Profs Predict Law School Closings as More Grads Earn Less than Break-Even Pay*
- *Is the Law School Model Ready for a Tune-Up?*
- *Is Law School Becoming a Fool's Errand?*
- *Has Legal Education Gone the Way of the Auto Industry?*
- *Watch Out, Law Schools A United States Senator Wants You to Stop Lying.*

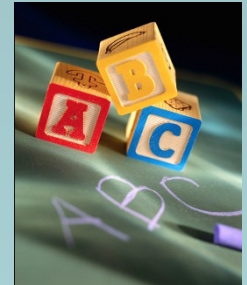
# Legal Education: Studies, Surveys, Standards and White Papers

- **Studies of Legal Education**
  - MacCrate Report
  - Carnegie Report
  - Best Practices
- **Surveys of Associates**
  - After the JD
  - Law School Experiential Learning Opportunities



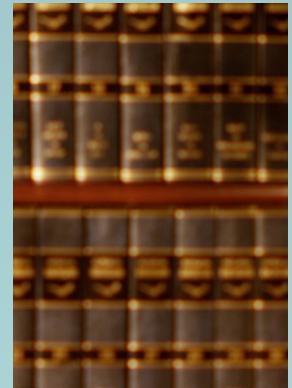
# Legal Education: Studies, Surveys, Standards and White Papers

- ABA Accreditation Standards
- Future of Legal Education
  - *The Future of Legal Education: A Skills Continuum*, a white paper prepared by the **National Institute for Trial Advocacy (NITA)**
  - **ALI-ABA/ACLEA Critical Issues Summit**, *Equipping Our Lawyers: Law School Legal Education and Legal Practice in the 21<sup>st</sup> Century*



# Competencies and US Law Schools

- **Future of Legal Education**
  - **USC:** *Building Better Lawyers*
  - **New York Law School/Harvard:** *Future ED: New Business Models for U.S. and Global Legal Education*



# Impact for Law Schools

# Legal education must be connected to the profession



# Impact of Change on Law Schools

- *Law school education is facing the same forces as law firms.*
- *Law schools will need to create a connection between a law school education and the value to the prospective lawyer, the firms that hire them and, ultimately, the clients that pay them.*
- *Value increasingly will be grounded in quick-to-deploy skills, and not exclusively academic reputation or research excellence.*

*The Future of Legal Education: A Skills Continuum, White Paper  
Prepared by the National Institute for Trial Advocacy, October 20,  
2009.*

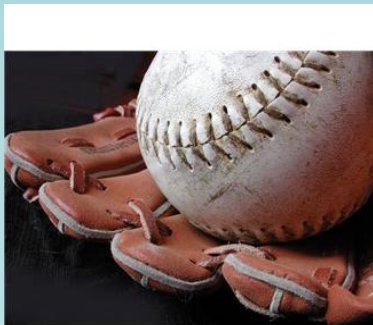


# Where Do Law Schools Go From Here?

# **Where Do US Law Schools Go From Here?**

***In theory there is no difference  
between theory and practice.  
In practice there is.***

***Yogi Berra***



## Where Do US Law Schools Go From Here?

- Professor Thomas in his lecture, *The Last Days of the American Lawyer*, predicts:  
*“[T]hat the interaction of law with increasingly complex economic and social issues will make distinctively legal questions less common and make many of the skills we [currently] stress in law schools less relevant.”*
- Law schools need to expose their students to a broader array of lawyer competencies and benchmark experiences.

# Where Do US Law Schools Go From Here?

- Provide additional skill offerings that are not just **additive**, but part of a well thought-out comprehensive plan that integrates them fully into the curriculum.
- Expand and include the **non-legal skills** a 21<sup>st</sup> century lawyer will need (ex. leadership and management: self, project and team skills)
- Implement so that **all students**, not just a few have access or are required to participate.

# Schools Are Responding

# Cross-Disciplinary Outreach

- Business school partnerships
- Law school institutes
- Multi-disciplinary focuses



# Innovation

- First-year skills courses
- Capstone courses
- The new third-year
- Fast-tracking



# Collaboration

- Keeping each other informed
- A skills continuum
- Developing solutions to close the gaps





# How Can You Help?

# Thoughts For the Future

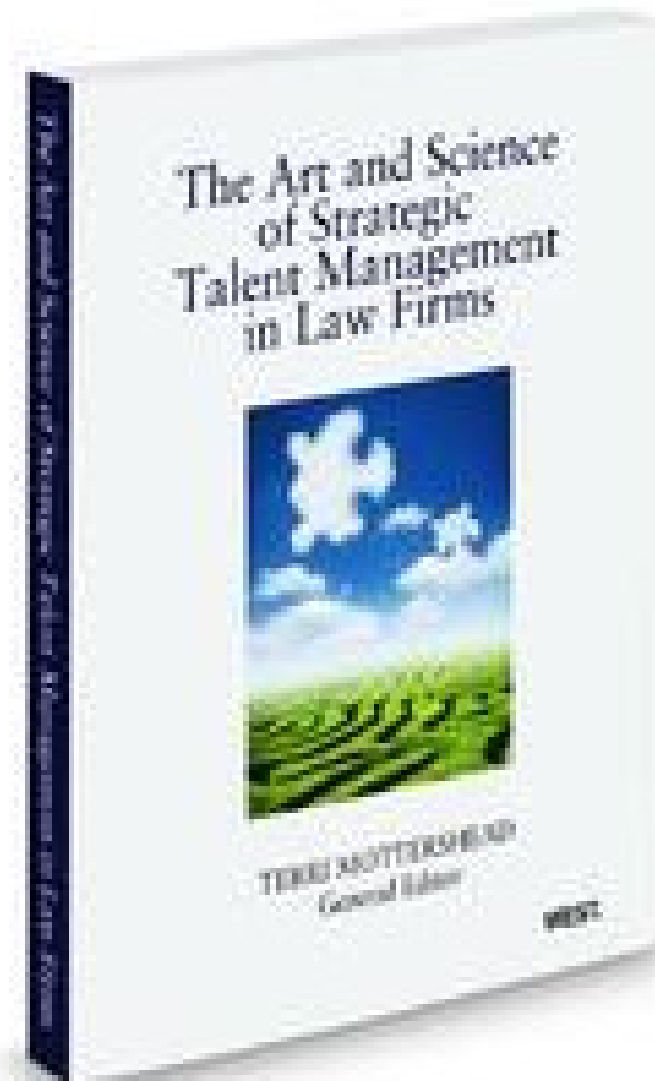
- **Developing new ways of thinking about and researching legal problems that are not longer wholly legal**
- **Creating solutions that will include how individuals share knowledge and take into account rapidly increasing technology and globalization of the legal industry**
- **Helping students and new lawyers move from information to wisdom**

# Questions?



# Reference

**The Art and Science  
Of  
Strategic Talent  
Management  
In  
Law Firms  
(West, 2010)**





# Thank You

