

Table of contents

Seismic shifts in the legal services industry

| | |
|---|----|
| 1. Introduction | 7 |
| 2. Will the law firm of the future be a computer? | 7 |
| 3. A diagnostic approach | 11 |

The six classic drivers

| | |
|--|----|
| 1. Introduction | 13 |
| 2. Old questions turned upside down | 13 |
| 3. Diagnostic tools in a change-ready professional culture | 20 |

Pricing – classic driver #1

| | |
|---|----|
| 1. A thought experiment: £10 per hour | 21 |
| 2. Are your fees low enough to be competitive and high enough to be profitable? | 22 |
| 3. Low pricing: an unsustainable strategy | 23 |

- 4. Are your fees high enough? 25
- 5. Value, not price 27
- 6. An agenda for a value conversation 29
- 7. Escaping the squeeze 32

Productivity – classic driver #2

- 1. A thought experiment: the 80-hour day 33
- 2. Are you working too hard? 33
- 3. Is the billable hour obsolete? 34
- 4. What is the magic number? 36
- 5. Variation in productivity 38
- 6. The over-productive partner 39
- 7. Moving beyond the billable hour 43
- 8. Disruptive productivity 44

Realisation – classic driver #3

- 1. A thought experiment: collecting every penny 47
- 2. Leaving money in the street 47
- 3. Realisation as a diagnostic indicator 53
- 4. Better profits through better realisation 55

Cost management – classic driver #4

- 1. A thought experiment: operating a law firm
for £50 per hour 57
- 2. Cost management in context 58
- 3. The temptation to slash costs 59
- 4. Pitfall number 1: not knowing what it costs
to produce a legal service 60

| | |
|--|----|
| 5. Pitfall number 2: over-investment in multiple offices | 63 |
| 6. Pitfall number 3: not keeping up with the technology | 65 |
| 7. Pitfall number 4: ignoring partner performance issues | 65 |
| 8. Pitfall number 5: slashing costs without managing risks | 66 |

Staff compensation – classic driver #5

| | |
|---|----|
| 1. A thought experiment: associate compensation in 2030? .. | 69 |
| 2. Are associates becoming inherently unprofitable? | 69 |
| 3. Looking through the wrong end of the telescope | 71 |
| 4. It's not about the money | 72 |
| 5. Improving associate profitability now | 73 |
| 6. Money into the bottomless pit | 75 |

Leverage – classic driver #6

| | |
|---|----|
| 1. A thought experiment: 40-to-1 leverage? | 77 |
| 2. Finding the fulcrum | 78 |
| 3. Technology, workflow leverage and the future | 82 |
| of the law firm | |

Being the change

| | |
|---|-----|
| 1. Introduction | 83 |
| 2. Change-challenged or change-ready? | 84 |
| 3. Paradigm shifts in the legal services industry | 95 |
| 4. Is your law firm trudging silently towards oblivion? | 99 |
| 5. Playing a poor hand well | 100 |

| | |
|--------------------|-----|
| Notes | 101 |
|--------------------|-----|

| | |
|--------------------------------|-----|
| About the authors | 103 |
|--------------------------------|-----|