

# CRAIN'S Cleveland Business

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**Thompson Hine hosts forum focusing on issues firms face adapting to new legal landscape**

By [Jeremy Nobile](#)



Photo by CONTRIBUTED PHOTO Deborah Epstein Henry, Geralyn Presti, Deborah Read and Craig Boise at the 'Innovations for Today's Legal Market' hosted by Thompson Hine law firm.

Keeping lawyers and their clients satisfied in arguably the most entrenched professional industry in the world — legal services — won't be easy, says Deborah Epstein Henry, author of "Finding Bliss: Innovative Legal Models for Happy Clients & Happy Lawyers."

Where there is change, there is challenge, said Henry and others who took part in a Thompson Hine-hosted forum on Wednesday, May 27. But those challenges present unique opportunities for the most forward-thinking firms and attorneys to steer the ship of change.

"Frankly, it's a scary world out there," said Deborah Read, managing partner for Thompson Hine, "but we see this as a big opportunity for us."

The forum at Thompson Hine's downtown Cleveland office, moderated by Dan Moulthrop, CEO of The City Club of Cleveland, was called "Innovations for Today's Legal Market." The event explored the issues facing firms adapting to the new legal landscape, how they're meeting them and why it matters.

Topics at the forum touched on a series of seven themes outlined in Henry's latest book: Innovation, diversity and inclusion, value,

predictability and trust, flexibility, talent development, and relationship building.

Here are some key takeaways from the event:

### **Innovation must be embraced and broadly applied**

Innovation includes everything from incorporating new technology into process and project management to increase efficiency to placing lawyers into different fee structures and new career paths to looking at physical office space differently, like incorporating more communal spaces into law offices, Henry said.

Technology may have been slower to impact law, but it's having a revolutionary effect. Virtual firms are popping up, and some traditional firms are partnering with them to create hybrid law offices. New software can help analyze cases before they hit an attorney's desk, expediting their review.

Meanwhile, legal outsourcing is becoming more commonplace.

The firms that succeed in the future will be the ones proactively examining how to incorporate new innovations into their business models.

### **... And innovating requires a paradigm shift**

"We were really trained to build the best Mercedes-Benzs that our minds and hand could build. And we're pretty good at that," Read said.

"But after the economic downturn, a lot of clients were saying for my business needs right now, the ride's not that far, the road's not that bumpy, the people on the bus aren't that important: I don't need a Mercedes-Benz. I need a fleet of Kias. And big law is not great at turning on a dime and knowing how to build a fleet of Kias when a client wants a fleet of Kias and knowing how to build a fleet of Mercedes-Benzes when a client wants a fleet of (Mercedes). That wasn't in our training."

Services need delivered differently, and that includes considering flexible staffing, value-based pricing and improvements to process and project management.

### **Clients want a menu of services**

Geralyn Presti, general counsel for Forest City Enterprises Inc., said zero-based budgeting is putting a lot of pressure on in-house counsels.

"I think what I really want is an a la carte menu of services," she said, noting how firms need to articulate their wants to attorneys more clearly just the same.

"I think we have leverage, and I think we need to push these agendas along from the alternative billing, value proposition," she said. "I'm getting to the point myself where I'm asking for it. And I think the time is now."

### **Don't shy away from alternative fees**

Law is one of the few industries where billable hours are still widely used. Henry points out that when anyone is buying any service, they're primed to ask: How much will it cost, and how long will it take?

Read noted Thompson Hine's fees are about 15% based in alternatives right now, and they're striving to push that higher.

Clients increasingly ask for alternative fee arrangements. And if they're not asking, Henry said, the lawyers should encourage it. Besides simply having to embrace change, some firms may be reluctant because alternative fees tend to shift more risk to the lawyers, creating some tension — but that's what clients today want.

Many firms are combining flat fees with a success fee, and “if you can couple the two, I think that’s the closest we can get to real fairness,” Henry said. “It’s a direction we need to head toward.”

### **The associate-to-partner track is no longer the norm**

Today’s younger lawyers have different priorities and view the business of law differently, said Craig Boise, dean of the Cleveland–Marshall College of Law. Students are trained to be more entrepreneurial, and many crave a different kind of work-life balance that involves more than just time for family outside of work. Many are transient and don’t plan to stay with the same firm their entire careers.

Instead of thinking of just the proverbial brass ring, Henry said firms should think of “Olympic rings,” referencing five differing career paths including ones that allow a lawyer to step out of a partner track and step back in. Part of achieving that, though, is pushing open and candid dialogue with the attorneys themselves.

“For today’s generation, to inspire the new talent pool, we need to have a more forgiving approach to careers,” Henry said. “We need to be less rigid, and we need to have more transparency about what people are interested in, where they could bring value, and in turn, fill out those lawyers who are working at different levels at different rates.”

Building in new career paths could lead to a tier of rates for attorneys, which also provides differing fee structures for a wider law firm to offer clients.

### **Diversity and inclusion must improve**

Boise referenced the declining enrollment in law schools and the tanking level of diversity along with it. Why that is, he said, is partly a mystery. But firms themselves need to take a stake in improving that issue.

Achieving diversity often comes when firms make the issue personal, Henry said, as opposed to simply mandating inclusion efforts on paper.

Henry said making it personal could mean injecting female lawyers and those of varying ethnicities into temporary engagements. Not only do those attorneys get experience — so they further their own careers — the firms may be more likely to hire that person. If that person isn’t hired on because they simply couldn’t take on the additional head count, perhaps they’d be more open-minded and cognizant of issues facing minority lawyers, which creates that personal effect.

“This is just one example,” Henry said. “But if we change the model and look at opportunities differently, it presents new opportunities, and that’s what we should be open to.”