

Above The Law

The 21st Century Lawyer: New Models for Practicing Law

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Many of the events we attended at last week's [NALP conference](#) were on the depressing side. After a decade, or perhaps two decades, of growth, the legal profession is experiencing a painful contraction.

But perhaps the current carnage, and the challenge it poses to the existing law firm business model, could give way to reform. As James Jones of Hildebrandt [explained](#), the economic crisis could lead to positive changes in terms of the cost-effective delivery of legal services. "A financial crisis is a terrible thing to waste," he quipped.

Jones is not alone in this assessment. We attended a panel discussion entitled **The 21st Century Lawyer: New Models for Practicing Law**, in which three pioneers of the profession -- [Audrey Bracey Deegan](#), of Deloitte Consulting LLP; [Deborah Epstein Henry](#), of Flex-Time Lawyers LLC; and [Mehul Patel](#), of Axiom -- discussed the alternative models of practice represented by their organizations. These models could become more compelling as the Great Recession forces firms to rethink how they do business.

An account of the panel, which was ably moderated by [Professor Carole Silver](#) of Georgetown, after the jump.

The panel began with the three panelists explaining their new models. Mehul Patel, an EVP at [Axiom](#), described the company's "free agency" approach to providing legal services. Here's a good summary, by Ashby Jones of the [Wall Street Journal](#):

Axiom, which essentially functions as a high-end temporary agency, targets lots of graduates of elite law schools and refugees from prestigious law firms who may have grown tired of billing 2200 hours a year, but who don't want to take a full-time in-house job or abandon legal practice entirely. Once hired, lawyers get

sent out to clients, where they might spend anywhere from several days to several months or more working on legal projects. Some lawyers use the service as a solution to a short-term problem: a relocation, a new child, caring for a sick parent. Others stay on with Axiom for years, working strictly with one client or moving from one to another. Axiom's client list includes American Express Co., Morgan Stanley and Reuters Group PLC.

For more about Axiom, read this NLJ [article](#) by Leigh Jones, or this earlier [ATL post](#). Or check out Axiom's snazzy [website](#).

Audrey Bracey Deegan, of Deloitte, discussed [mass career customization](#) (or "MCC" for short). The general premise is that, with careers becoming less linear, and the corporate ladder becoming a "corporate lattice," workers should be allowed greater flexibility in their career paths. MCC offers workers the ability to "dial up" or "dial down," on a variety of fronts (e.g., hours worked, responsibilities undertaken). For more, see [here](#).

Deborah Epstein Henry -- founder of Flex-Time Lawyers LLC, and a prior [ATL interviewee](#) -- explained her FACTS model of practice. It essentially involves a multiple-target billable hours approach, in which lawyers can choose how much they'd like to work, and get paid accordingly. For a good overview (and an explanation of what "FACTS" stands for as an acronym), see this [post](#) on the Yale Law Women Blog, or this [article](#) (PDF).

In the past, one of the main selling points of these alternatives to the Biglaw model -- MCC, Axiom, or FACTS -- was enhanced work-life balance. But now that the economy is in the tank, a new advantage is emerging: value. Under FACTS, a legal employer no longer needs to pay all lawyers the same amount of money for the same amount of required work (e.g., \$160,000 for 2000 hours). Lawyers can select lower hourly targets and receive compensation that reflects their reduced workload.

At a time when law firms are saddled with highly-compensated associates who don't have enough billable work to do, a multiple-target billable hours model would seem to make a lot of sense. In fact, just last week, Hogan & Hartson [bumped some associates](#) down to an 1800-hour track, with reduced pay (starting at \$145,000 rather than \$160,000 -- still a very nice income, of course).

The FACTS model is similar, but with the advantage of allowing individual lawyers to select where they'd like to fall on the spectrum. For example, some associates who have extensive commitments outside work (e.g., family responsibilities) or who don't need a huge paycheck (e.g., because they have a rich spouse or come from money) might opt for a lower track. Other associates -- say, associates who are single, childless, and

without outside hobbies or interests -- might want to throw themselves into their work, and reap the corresponding financial rewards.

The Axiom model has some similarities to FACTS. Lawyers at Axiom have a great deal of flexibility in terms of choosing what matters they work on, for which clients, and at what intensity level. As a result, compensation varies significantly; the company doesn't have anything close to a lockstep model, Patel explained. Rather, compensation is set individually, based on client demand for a particular attorney and his or her services. Working for Axiom has some of flexibility of being a contract attorney, but the work tends to be far more interesting than document review, and the salaries are much higher. According to Patel, the average Axiom lawyer earns around \$220,000 a year.

(The catch is that getting a job at Axiom is much harder than scoring a contract-attorney gig. The company tends to hire lawyers with top-notch credentials coming out of major law firms. In fact, some Axiom recruits are former Biglaw partners, with decades of experience in practice, who just want a better lifestyle.)

As the economy worsens, taking many law firms along with it, look for the legal profession to start focusing on new, more flexible models of doing business. Such innovation, in the words of Deborah Epstein Henry, "is no longer an accommodation -- it's an economic imperative."

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