What They Didn't Teach You in Law School — Until Now: Building a Curriculum for Senior Associates

Dr. Silvia Hodges
Fordham Law School | TyMetrix Legal Analytics

Agenda

- What's happening in the market today (and why business skills are important)
- What Fordham Law has started to do
- How you can build a curriculum for your firm

Does spending more with a law firm yield lower rates for clients?

Does the increased experience
(of a lawyer) command higher rates?

What actually drives rates?

FACT IS:

- Over the past 10 years, the hourly fee for a major US law firm lawyer rose by more than 65%, faster than any other economic indicator
- Spending more with a particular firm often yielded higher rates, not more favorable rates
- Of the five main drivers of rate increase, geography is a bigger influence than experience

TyMetrix Legal Analytics RealRateReport™

What clients may think…

"If you come to my office
or call my phone,
I'm billing time.
If you stop me at parties
to whine and moan,
I'm billing time.
If I think of you when
I am all alone,
I'm billing time. If you're late
for appointments,
I will be waiting
and billing time …"
(The Bar & Grill Singers)

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ACC Association of Corporate Counsel

VALUE CHALLENGE

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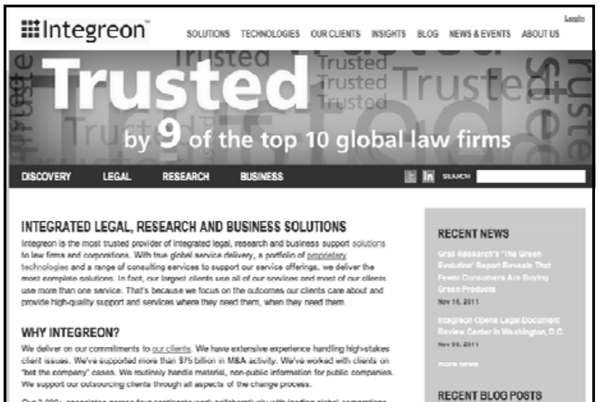

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Business Services
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All 50 States.
"No Surprise" Pricing.
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"I got my LLC, Trademark and Patent through LegalZoom."
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More Services
Total Customer Support
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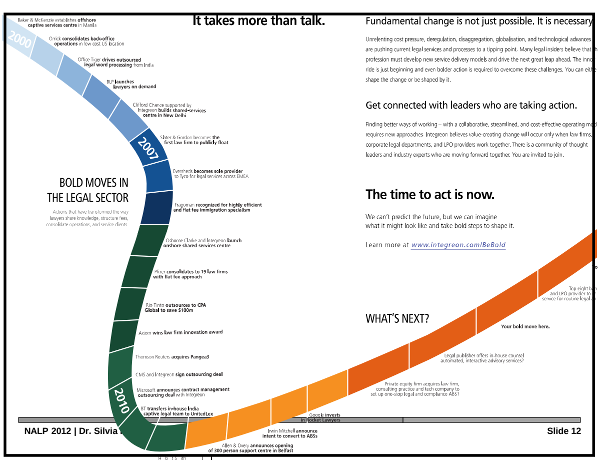
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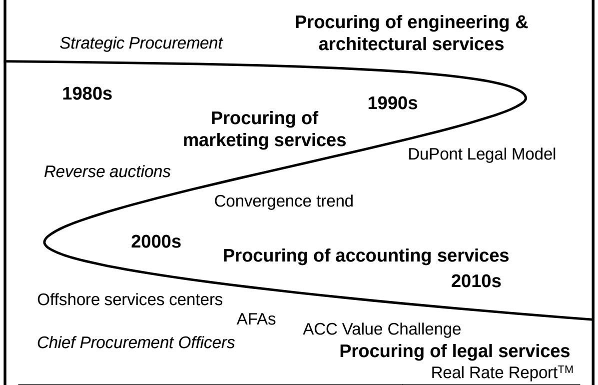
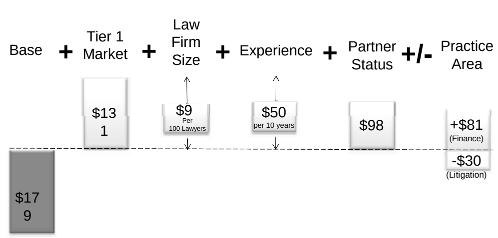


"In-house counsel who once had carte blanche to hire and pay outside [counsel] now often report to executives – maybe a chief financial officer or corporate procurement officer – who are not lawyers, and <u>who want expenses to be predictable</u>."

NJBIZ, January 24, 2011 Vol. 24, Issue 4, pg. 16

Sneak peak at the Regression model for estimating any lawyer's rate: Real Rate Report™



Source: 2010 Real Rate Report™

For corporate legal services:
Step 1: Can you/your firm do the work? (you tell us about your capabilities)
Step 2: Do we want to work with you? (we judge your service orientation, chemistry)

For corporate legal services:
Step 1: Can you/your firm do the work? (we do our due diligence)
Step 2: Does working with you make good business sense?

Buyers of legal services develop relationships with lawyers and hire them (if someone recommended them).

Recommendations are still important, but buyers of legal services want to compare price and quality.

Brown Bag Lunch at Fordham Law School
"The Law Firm as a Business"
(Feb 24, 2011):
So you want to be a lawyer –
•Do you know how law firms are managed?
•Do you understand the economic dynamics of a law firm?
•Do you know which law school grads get hired?
•And which associates make partner?

"AmLaw 100 firms have gross annual revenues of $250m + with some elite firms having revenues in excess of a billion dollars. Even small law firms are million-dollar businesses. A lack of business savvy about your own industry could be dangerous to your career."

The Need

Law schools have been criticized for not teaching lawyers practical lawyering skills.

Lawyers need the tools to run law firms as businesses to **be successful in an ever-more competitive global marketplace**.

"Lawyers are terrible businessmen" (AmLaw 200 firm)

"Most of us work for clients in business, but most of us don't understand [business]" (Small firm)

"I never learned my job. This is a great idea." (International firm)

On Management Education for lawyers:

"We need more of that." (Medium firm)

"Lawyers need this education." (AmLaw 100 firm)

"There is a crying need for it." (Small firm)

"Every lawyer who I've come in contact with could use these courses." (Solo practitioner)

"I'm surprised that no one has come up with this idea. Makes so much sense." (International firm)

"Absolutely fantastic idea, hugely valuable." (International firm)

Some law schools (incl. Harvard) have started to embrace the aspects of a *more practice-oriented legal education.*

Fordham, Georgetown, Indiana, Hofstra, Pace, Temple, GWU offer courses on *law firm/practice management* within their JD programs.

GWU offers a Master's Degree in Law Practice Management; Denver offers a Master's degree in Legal Administration

Challenges

People (incl. lawyers) <u>don't know what they don't know</u>:
•Important to convince them they should learn something new:
"Like the 12 step program: you have to admit that you have a problem"
•Lawyers often don't think management is important
•Time commitment

And how to overcome challenges

- ✓ **Make management training a priority by firm leadership**
- ✓ **Awareness "campaign" (Statements from well-respected people in the industry, clients?)**
- ✓ **Offer "transition" courses (times when lawyers more likely to understand they need new skills)**
- ✓ **Start with pilot group who's interested (make participation a badge of honor/reward rather than a punishment)**

Courses for Transition Periods

Senior Associates to (Junior) Partners: focus on Management, Marketing & Bus. Development

Partners to Head of a Practice Heads/Regional Managing Partners: Focus on Leadership

Perhaps in a second step:

Introduction courses for 2nd/3rd year associates: Business and finance fundamentals, project management

Courses for senior partners (5 years before retirement): Leaving a legacy

What to teach

The courses will cover all areas of managerial challenges and approaches necessary for success.

Balanced Scorecard/Intellectual Capital Perspectives (Kaplan/Norton) as the course layout:

- Financial (Economic Capital)
- Market (Relational Capital: Network; Brand; Clients)
- Process (Structural Capital: Knowledge; Processes)
- Development (Human Capital: Professionals; Management)

Format

Interviewees wanted interactive, practical, hands-on team work workshops with breakout groups rather than lectures; 15-20 participants ideal:

- ✓ Case studies
- ✓ Exercises
- ✓ Simulations
- ✓ Best practices

Practical take-aways!

Instructors

Interviewees wanted a mix of

- ✓ Academics
- ✓ Successful partners and law firm management from own firm
- ✓ Other professional services (management consultancies, accounting firms, financial services)
- ✓ Corporate America

GREAT presenters are a MUST!
Credentials and sense of practicability!
"Edu-tainers"

Online?

Most interviewees believed that management skills are best ***not taught online****: Online does not provide the networking opportunities, interaction and learning from one another*

Online aspects good as a supplement/in connection with upcoming course (e.g., homework component), online testing, recordings for later viewing

Danger of "cheapening" program if online only

Supporting material

Interviewees also want material for self-study

Offer online?!

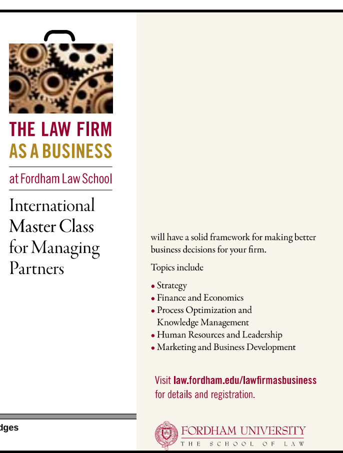
Length

Interviewees believed the "right" length of the courses varies between 2-3 days and 1 week (weekend to weekend):

Series of 2-day sessions (Fri/Sat)

Or weeklong courses ("management boot camps") if only held in one place rather than locally "boot camps"?!

Day	Topic
Day 1	Introduction to management
Day 2	Strategy
Day 3	Law firm economics
Day 4	Finance 101
Day 5	Knowledge & Experience management
Day 6	Project management
Day 7	Leading teams
Day 8	International business & culture
Day 9	The Client's Perspective
Day 10	Pricing Models (incl. AFAs)
Day 11	Marketing
Day 12	Business development



What we talked about

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