

Episode 65: Summary

Episode name: The Future of the Profession: Building Law Firms for the 21st Century

Guest(s): Demetrio Zema

What area(s) of law does this episode consider?

NewLaw ways of working and modern structures for law firms.

Why is this topic relevant?

It is an often recited maxim that the legal profession is slow-moving.

But being set in traditional ways of working could mean that firms are missing out on clients and revenue, and traditional ideas such as the billable hour and partnership model might mean a law firm is not getting the most out of its employees or serving its clients in the best manner.

Such issues may have contributed to the mass migration of lawyers in-house, to becoming sole practitioners, or who are leaving the profession altogether. Some NewLaw models attempt to address some of these problems by introducing new and more modern techniques in the structure and organisation of their firm.

What are the main points?

- The traditional time-based billing model unintentionally incentivises inefficiency because the longer a task takes, the more a lawyer earns from it.
- The traditional model also purely focuses on financial success and budget requirements, often neglecting strategic goals.
- NewLaw firms often employ a value-based billing model wherein there is a fixed fee for a particular type of work that is disclosed at the outset of the engagement. This allows firms to look at the value provided by professionals outside of individual profit-generation, such as mentorship or team leadership.
- By structuring a firm as an incorporated legal practice, you are able to take a business-based approach to building authentic relationships with clients. This helps to achieve better outcomes for clients that are in line with their desires as you engage with them in a more holistic way.
- The partnership model lends itself to viewing clients as just contributing to your balance sheet but also assumes that all lawyers want to become owners or partners. An incorporated legal practice encourages collaboration as opposed to competition and better project management.

What are the practical takeaways?

- It is incredibly beneficial to integrate technology into the operation of your legal practice. Start by investigating potential technological solutions to matter management, intake and workflow automations. This increases the efficiency of your practice and streamlines your work. These systems don't have to be complex, you can start by using accessible applications such as Microsoft Office 365.

- Look to different industries for techniques to run a law firm, such as software companies holding a huddle each morning. In the huddle, each team member lays out their plan for the day and indicates if they may need assistance to achieve their goal. This is far more effective than a weekly WIP meeting which is very limited in its scope.

Show notes

[Bathurst, T. *The Role of the Commercial Bar in the Mid-21st Century*](#)

[Macquarie Group. *The law firm reimaged*](#)

[Meritas. *Australia & New Zealand Wellness Survey 2019*](#)

[Thomson Reuters, *2022 Australia: State of the Legal Market Report*](#)