



INDIANA UNIVERSITY
MAURER SCHOOL OF LAW
Bloomington

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Future Firm Competition

Indiana University Maurer School of Law
Bloomington, IN
April 18-19, 2008

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Sponsors: Hildebrandt International, Inc.
Indiana University Maurer School of Law
The American Bar Foundation
Law Firms Working Group

The large U.S. law firm is a venerable institution that is under tremendous pressure from clients, associates, and intra-firm competition among partners. These pressures are exacerbated by a nearly ubiquitous business model that has remained essentially unchanged for nearly 100 years. Although the demand for corporate legal services is expected to increase as the world become more globalized and interconnected, sophisticated corporate clients are unwilling to pay legal fees that regularly rise faster than company revenues. Moreover, many young lawyers are unwilling to commit to a business enterprise that demands 24/7 service but offers little or no security and a minimal commitment to broader social values. Despite these warning signs, the vast majority of firms continue to grow while simultaneously chasing a finite amount of premium, price-insensitive work.

Is it possible for large corporate firms to thrive without rethinking their business model? The organizers of the Future Firm Competition want to find out.

The Concept

Future Firm is a game of strategy, skill, and endurance. The goal of the game is to craft a new law-firm business model that provides the best odds of your firm surviving and thriving 20 years into the future. The event will consist of ten teams of four players each. Each team represents one of three key constituencies:

- (1) In-house lawyers/general counsel (3 “Client” teams);
- (2) Law firm partners and managers (4 “Partner” teams);
- (3) Associates and law students (3 “Graduate” teams).

The four Partner teams will each be in control of a fictional large law firm. The first job of each Partner team will be to elect a Managing Partner who will act as the spokesperson for the team and otherwise have the authority determined by his fellow Partners. Each Partner team will have the benefit of one seasoned law firm consultant, supplied by Hildebrandt. The ultimate winner will be determined by a Judging Panel consisting of five law firm partners, five academics, one in-house lawyer, one Gen-Y lawyer/student, one malpractice insurer, and one consultant.

The game consists of three rounds. The goal of **Round #1**, which will begin on the morning of Saturday, April 18, is for each Partner team to develop a model and strategy that will engender a commitment from one Client team and one Graduate team. Partners are encouraged to think creatively and challenge conventional wisdom. The model and strategy must include the following elements:

- Target markets
- Firm differentiation
- Optimal resourcing
- Geographic spread
- Areas of practice
- Partner/owner remuneration
- Entry level recruitment¹
- Midlevel attorney retention.

After the teams meet separately to formulate their initial goals and strategies, Round #1 will move into a facilitated Baseline Workshop where the perspectives of Partners, Clients, and Graduates will be shared and promising ideas will be highlighted and developed. Thereafter, the teams will be given time to negotiate an alliance among Partner, Client, and Graduate teams. Because there are four Partner teams and only three possible Clients and Graduates, one Law Firm will dissolve at the end of the first round, with Partners becoming “lateral hires” of one of the three viable firms.

The goal of **Round #2** is for the three Partner-Client-Graduate alliances, and their Consultant, to collaborate on a long-term strategy and business model that has the best chance of survival in the next 20 years. The advantage of the alliance format is that any proposed strategy or business model will be critiqued by the Clients, who must find value in this approach in order to retain the Partners, and by Graduates, who are unlikely to commit themselves long term to a workplace that is not aligned with their personal or professional values and aspirations. Round #2 ends with a presentation to the Judges in which Clients, Graduates, and Partners must explain, from their perspective, why the proposed Future Firm Model offers them an attractive value proposition and is this therefore sustainable.

After a withering Q&A session at the hands of the Judging Panel, the three alliances revise their proposals for a final **Round #3** presentation. Round #3 will take place the following morning, permitting all participants to have one night’s sleep before finalizing the new firms.

At 12 noon on Sunday, April 19, the Judging Panel will announce the winning alliance, and the second and third place teams. The winning alliance will receive \$15,000. However, the game doesn’t end there. Because the monetary prize is a partial mirror of our value system, the Managing Partner of the winning team will be asked to divulge how the prize money will be allocated, including any intra-alliance contracts that were formed during the course of the game. Ideally, the insights from this collaborative project will warrant future competitions of Future Firm in the years to come.

¹ Partner teams that attempt to end entry level hiring, primarily because Clients are reluctant to pay for them, will have a difficult time forming a Graduate alliance, which is a precondition of advancing to Round #2. More fundamentally, the Graduates are the lawyers who must be relied upon to keep the firm going 20 years into the future. When firms collectively conclude that it is better for other firms to supply the training and experience needed to create expert lawyers, the pipeline of talent will eventually run dry.

Aric Press, editor-in-chief of *The American Lawyer*, has agreed to cover this event. Thus, in addition to a \$15,000 purse (put up by Hildebrandt International, Inc.), the winners will bask in the glow of being thought leaders while enjoying the cover of plausible deniability for some of the more radical ideas uttered during the course of game.

Additional Information

Indiana University Maurer School of Law will supply two nights of lodging and food plus transportation costs to and from Indianapolis Airport. We ask that participants make arrangements to cover their airfare, although full reimbursement for travel to Bloomington may be approved in advance on a case-by-case basis for some participants. Briefing books with biographies and a description of the game format will be distributed to all participants by late March. The Maurer School of Law will host a cocktail and dinner reception on Friday, April 17 for all participants who arrived in Bloomington in time to attend.

A tentative timeline and format for the Future Firm Competition is set forth in Appendix A. A schematic of teams and alliances in Rounds #1 - #3 are contained in Appendices B and C.

Appendix A:

Tentative Format and Timeline

Round #1 begins on Saturday morning, April 18, at 8:30 am and lasts for four hours. The goal of this round is to form a Partner-Client-Graduate alliance:

- 8:30 am. Partners, Clients, Graduates, and Consultants are introduced to the event and what the day will hold.
- 9:00 am. *Retreat I*
 - Partner teams + Consultant retreat into minute strategy session. Each Partner team is expected to address the following aspects of their business: markets, firm differentiation, resourcing, geographic spread, areas of practice, partner remuneration, entry level recruitment, and midlevel attorney retention. Partners are encouraged to think creatively and challenge conventional wisdom.
 - Each Client and Graduate team retreats to explore benefits/issues with the current law firm models.
- 10:00 am. *Baseline Workshop*. All participants return for a facilitated workshop to explore and record the different perspectives.
 - Partners present their strategies and models.
 - Clients and Graduates present their needs and benefits/issues with current models
- 11:30 am. *Team Negotiations*. Clients and Graduate retreat to their office suites. Law Firm representatives communicate with Clients and Graduates to discuss a possible alliance. Any method of communication is permissible, including face-to-face meetings, cell-phone, email, text messages, etc. Alliances are created through a signed memorandum of cooperation. These memoranda, however, are binding only when the Partner team obtains the signature of a Client team and a Graduate team.
- 1:00 pm. *End of Round #1*. Law Firms announce their Client and Law Firm alliances. In the event that two Law Firms have only one Client and one Graduate alliance respectively, the remaining unmatched Client and Graduate teams will caucus and decide on a Law Firm. The Law Firm without clients or associates is thereby dissolved. In turn, one partner/manager from the imploded firm “laterals” into one of the three surviving firms. The remaining partner and consultant join the panel of Judges, who will evaluate the winner of the second and final round.²
- Lunch will be served from 1:00 to 2 pm.

Round #2 begins at 2 pm and lasts until 5:45 on Saturday. The purpose of Round #2 is for all the key constituencies to formulate a law firm business model that is most likely to endure and thrive into the future.

² Keeping the losing players in the game is prudent because of the incentives of Round #1 favor Clients and Graduates. The realism that might chill in Round #1 will be an asset in Rounds #2-3.

- 2:00 pm. *Panel Presentation:* The Judges present their challenges to the Partners, Clients, Graduates, and Consultants, thus enriching the factual scenarios confronting each team.
- 2:15 pm. *Retreat II.* Partner / Client / Graduate / Consultant alliances retreat to discuss strategy. Whereas Round #1 may have encourages Partners to make extravagant promises to Clients and Graduates, now the newly formed teams of fourteen must work together to win the votes of the Judging Panel. Each team will be given a seminar room in the Law School (equipped with Internet, Chalkboards, and an LCD projector) and will have two hours to formulate their strategy.
- 4:15 pm. *Team presentations.* Each team will have 20 minutes to present its business model to the Judging Panel, once again touching on the following topics: markets, firm differentiation, resourcing, geographic spread, areas of practice, partner remuneration, entry level recruitment, and midlevel attorney retention. Each presentation must include a testimonial from both Clients and Graduates on why the new model offers them an attractive value proposition. Judges can ask as many questions as time permits. The teams will be permitted to observe each others presentations.
- Each alliance will be free to meet in their seminar room prior to cocktails and dinner at 7:00 pm at a local Bloomington venue.

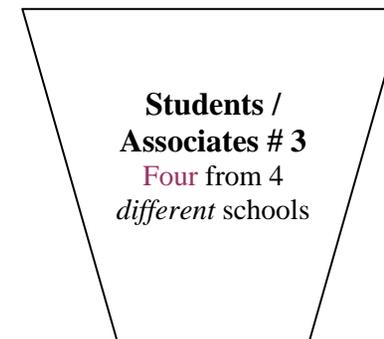
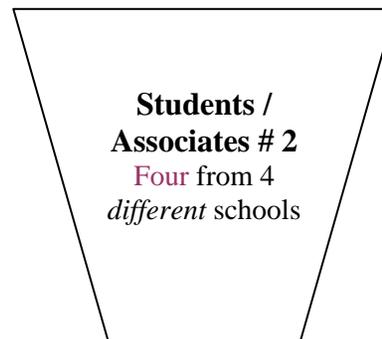
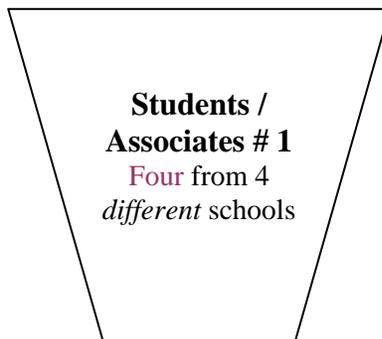
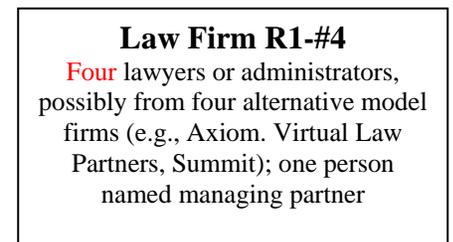
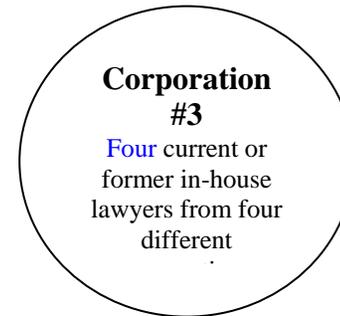
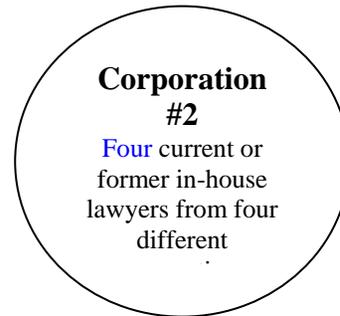
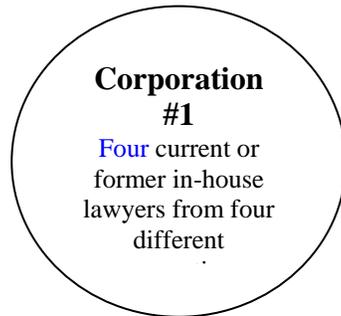
Round #3 takes place on Sunday morning, April 19th and consists of a single round of twenty minute presentations by each alliance. Once again, each constituent group (Partner, Clients, and Graduates) must explain why the New Model will stand the test of time, touching on the issues of markets, firm differentiation, resourcing, geographic spread, areas of practice, partner remuneration, entry level recruitment, and midlevel attorney retention. Although the presentations begin at 10:00 am, each alliance will have access to their seminar room as early as 7:30 am. Following the presentations, the Groups will enjoy a brunch buffet at the Law School while the Judges deliberate and select a winner.

Winner

The winner will be announced by 12 noon. Because this competition relies upon both collaboration and competition to generate important and novel ideas, every participant will receive a first, second, or third place plaques or memento, which will memorialize their contribution to the event. In addition, the winning Managing Partner will be asked to reveal how the \$15,000 prize will be distributed. The results of this competition with subsequently appear in *The American Lawyer* and in a more detailed academic article. Each participant will receive reprints. It is hoped that this will become an annual event.

Appendix B: Future Law Firm Competition

Round #1, 40 players



Appendix C: Future Law Firm Competition

Rounds #2 and 3, 38 players, 14 Judges

