

LEGAL MANAGEMENT

THE MAGAZINE OF THE ASSOCIATION OF LEGAL ADMINISTRATORS

LI Feature

LEGAL INDUSTRY/BUSINESS MANAGEMENT

View from the Top

Business insights from the law firm C-Suite

Getting down to business has taken on a whole new meaning for law firms in recent years. To thrive in today's competitive and ever-evolving legal market, more firms are looking beyond the traditional law-firm framework and embracing the business side of the practice.



MARY KATE SHERIDAN
Writer, Editor and Attorney

"You need to be serious about change and willing to deal with the push back that will inevitably occur. This isn't just a status quo hire."

JOHN YOSHIMURA

Chief Operating Officer,
McDermott Will & Emery



"It's no secret that the law firm business model is being tested, and that's okay," says Anthony Licata, Chief Operating Officer at Morgan Lewis. "It's just our industry's time."

Being more business-focused doesn't appear to be a passing trend. According to the [2015 Law Firms in Transition Survey](#), Altman Weil, Inc., "As demand returns, firms will still have to hustle, be lean, be businesslike, and understand and deliver client service and value to outperform their peers."

While many firms have employed C-level professionals for years, not all share the same commitment to the business side. Firms that are serious about bolstering their business operations should understand why this change is important and potential strategies for achieving business-side success.

WHY FOCUS ON THE BUSINESS SIDE?

Prioritizing a firm's business operations is important both for logistical purposes and ensuring continued survival in today's market.

A dedicated management team and C-suite allow the legal practice to run more smoothly. "First of all, you have the lawyers focusing on the things that they're supposed to be doing and then you have the administrators focus[ing] on the business side," says June M. Inderwies, Executive Director and Chief Operating Officer at Gibbons PC. "So things are constantly moving forward, which you need for things to move ahead."



“The regular old law firm model doesn’t work anymore. For firms to survive and prosper, they have to be innovative. The work doesn’t come to you anymore. You have to go out and find the work.”

JUNE M. Inderwies

Executive Director and
Chief Operating Officer,
Gibbons PC



According to John Yoshimura, Chief Operating Officer at McDermott Will & Emery, success in today’s legal market requires firms to refine their business operations and focus on client needs; concentrating on costs and efficiency alone is insufficient. “Firms are not going to be able to cost cut their way to success,” he says. “Incremental changes are not going to be successful. What the clients are looking for are step-change improvements.”

CRAFTING A SUCCESSFUL BUSINESS SIDE

Once firms recognize the importance of the business side, they must commit to strengthening and modernizing their operations if they hope to run their firms like businesses. Among the areas firms may focus on include strategy, innovation, client service and internal leadership.

1. STRATEGIC PLANNING

Law firms, like any business, have limited resources and employees with competing priorities, says Licata. Consequently, business managers within firms must think about execution of goals well in advance.

Such planning doesn’t stop with execution, however. Firms also must devise strategies to keep initiatives and projects on track, brainstorm risks and determine how to respond to obstacles without disrupting business, says Licata.

“What I think is a differentiator is our leadership forces these kinds of conversations,” he says. This drive to plan for the future allows the management and business teams time for thoughtful decisions. “There’s much less risk in the system when you have a group that talks about these things all the time, not just when something is going wrong,” says Licata.

2. SUPPORT FOR INNOVATION

Innovation is essential to success in running a law firm like a business. As Inderwies notes, the “regular old law firm model doesn’t work anymore. For firms to survive and prosper, they have to be innovative. The work doesn’t come to you anymore. You have to go out and find the work. The return is so limited. You have to make sure you are making the right monetary decisions.”

Without support from the top, however, a law firm C-suite can’t focus on innovation. And it is often those at the top of the law-firm chain who resist change the most. Indeed, as Altman Weil Inc.’s *2015 Law Firms in Transition Survey* notes, “Partners’ resistance to change is an ongoing theme of the survey and is also a persistent threat to law firm success. Forty-four percent of firm leaders cite partner resistance as one of the reasons their firm is not doing more to change.”

To flourish on the business side, firms need top-down support for innovation today and in the

future. "You can want to innovate all you want, but if you don't have the executive support from the top management, innovation is just a good idea that doesn't go anywhere," says Licata.



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Chief Operating Officer,
Morgan Lewis



3. MORE THAN BILLING

While billing hours is the backbone of most law firms, it shouldn't be a firm's only focus. They should brainstorm additional ways to assist clients beyond legal services.

From a business standpoint, firms may consider offering "value-added services" to their clients in addition to the typical legal services, says Yoshimura. For example, McDermott recently launched a health care compliance resource center to enable clients in that industry to stay abreast of important changes. The firm also established a subsidiary, McDermott Plus, to provide both legal and consulting services to clients in the health care industry.

4. TRAINING FUTURE LEADERS

Attorneys' lack of management training is often lamented without any resolution offered. But one way to bolster the business side of a law firm is to groom future leaders within the firm's ranks.

For example, Gibbons offers a training program called the Gibbons Leadership Academy through which all levels of attorneys within the firm gain valuable firm-leadership skills. The goals of the program are to invest in the future of the firm and its attorneys, says Inderwies. Among the areas covered are business development, administrative skills, people skills and goal setting.

NECESSARY NEED

As the legal profession continues to evolve, finding new ways to do business and set your firm a part is going to be vital. Moreover, with continuously changing market demands, focusing on a firm's business side may be essential for success.

"I feel strongly in the long run this is what is going to separate the winners from the losers," says Yoshimura.

ABOUT THE AUTHOR

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