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# Preface

The origins of this book go back to October 7, 2013, when George Beaton published a seemingly innocuous blog post titled *The Rise and Rise of the NewLaw Business Model*. It discussed changes in the legal services industry, with a focus on legal services providers that are different from traditional law firms. The post kicked off a lively and passionate exchange between lawyers from traditional and unconventional firms, in-house departments, professionals from consulting with backgrounds in law and other disciplines, and academics.

Contributors came from Australia, Canada, Hong Kong, Spain, the United Kingdom, and the United States. The wealth of expertise and thought leadership about changes and innovation in the legal services industry was too valuable to languish in its fragmented online format, and this provided the incentive for George's first foray into the e-book space. *NewLaw New Rules: A Conversation About the Future of the Legal Services Industry*, a structured and amended version using much of the material initially posted on the blog, was published in December 2013. Since its publication, the neologism "NewLaw" has entered the lexicon, and the e-book is being used for teaching purposes by academics educating "tomorrow's lawyers."

Based on George's extensive experience in researching clients' needs and advising professional services firms, and considering themes raised in *NewLaw New Rules*, the time was right for a closer look at the traditional law firm business model. The result is *Remaking Law Firms: Why and How*, which examines the historical strengths of the traditional business model with its approach to technically excellent service at seemingly whatever cost, and its many present day weaknesses. Law firms around the world have relied on this business model for decades because it provided a blueprint to deliver excellent service to commercial clients and handsome profits to partners. But the times have changed, with the global financial crisis only accelerating the maturation of the legal services industry with its attendant price-down pressures, commoditization, and increasing client demand for efficient, business-relevant services. To respond, law firms will have to go beyond cutting costs while preserving the general way they win work, produce work, and govern themselves. Law firms need to look for business

models that are better adapted to serve their clients not just today, but well into the future. What we call remade law firms and NewLaw providers are based on such innovative business models, and therefore now provide a better blueprint.

It is frequently asserted that legal services are different from other professions, and from other industries (if anyone is willing to go so far as to acknowledge that law is indeed an industry). Our own work has confirmed this in one respect only—lawyers as a group are more risk-averse, and less willing to innovate and take chances by diverging from established methods and processes, than other professional groups. And since culture is the sum of the behavior of individuals in a group, the culture of traditional law firms is more change-averse and less innovation-minded than that of other industries. The result is a conundrum for any group of lawyers seeking to position their firm ahead of others: Being better by default means being different, but who would dare to venture where no firm has gone before? This is compounded by the inherent inertia in any large, complex organization, which means that law firms need to start changing well ahead of any actual need to have completed the change—but what self-respecting group of lawyers would be prompted to start making rash and risky changes without a clear and compelling need to do so? It's Joseph Heller all over again. The only possible answer is simple—start somewhere, start small, keep building from there—and don't stop.

To succeed under the changed circumstances, law firms need to remake their business models to improve alignment with the job that commercial clients need to be done. Examples of innovative and successful business models from remade law firms and NewLaw providers in this book go beyond theoretical concepts and provide proof of principle because, to borrow from a Peter Drucker aphorism, "Business models [sic] are a commodity, execution is an art." Our book provides a wide range of innovation examples and case studies from legal services providers and other professional service firms that illustrate what a remade business model for a law firm might look like. We hope that *Remaking Law Firms: Why and How* will fuel a desire for change in law firms that goes beyond thinking and planning and leads straight into the messy, frustrating, exciting world of implementing change, and ultimately to better client service.