



What are the prerequisites for innovation?



*High value problems without
good existing solutions*

Pain



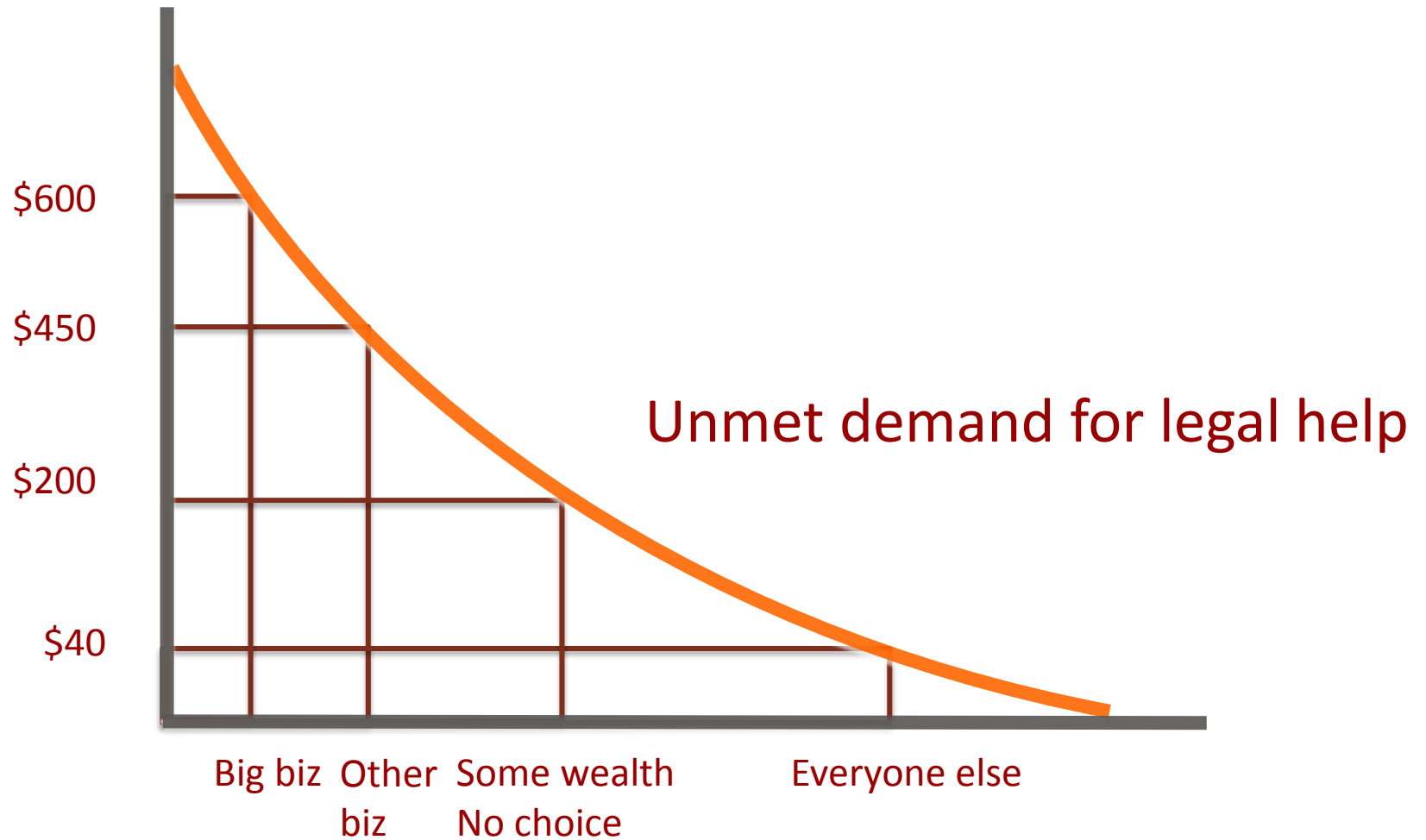
62%

3

240 million

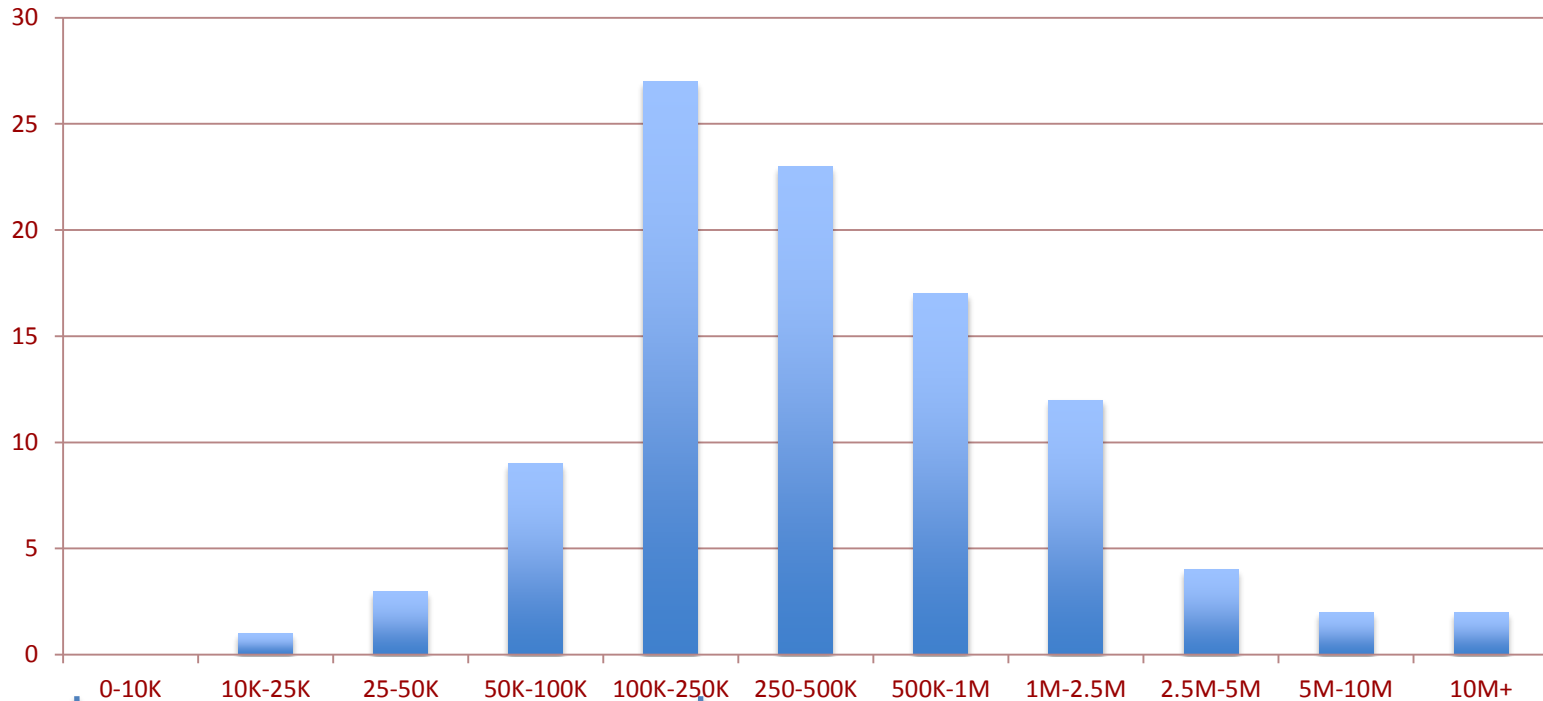
\$48 billion @\$200/hr

200 hours



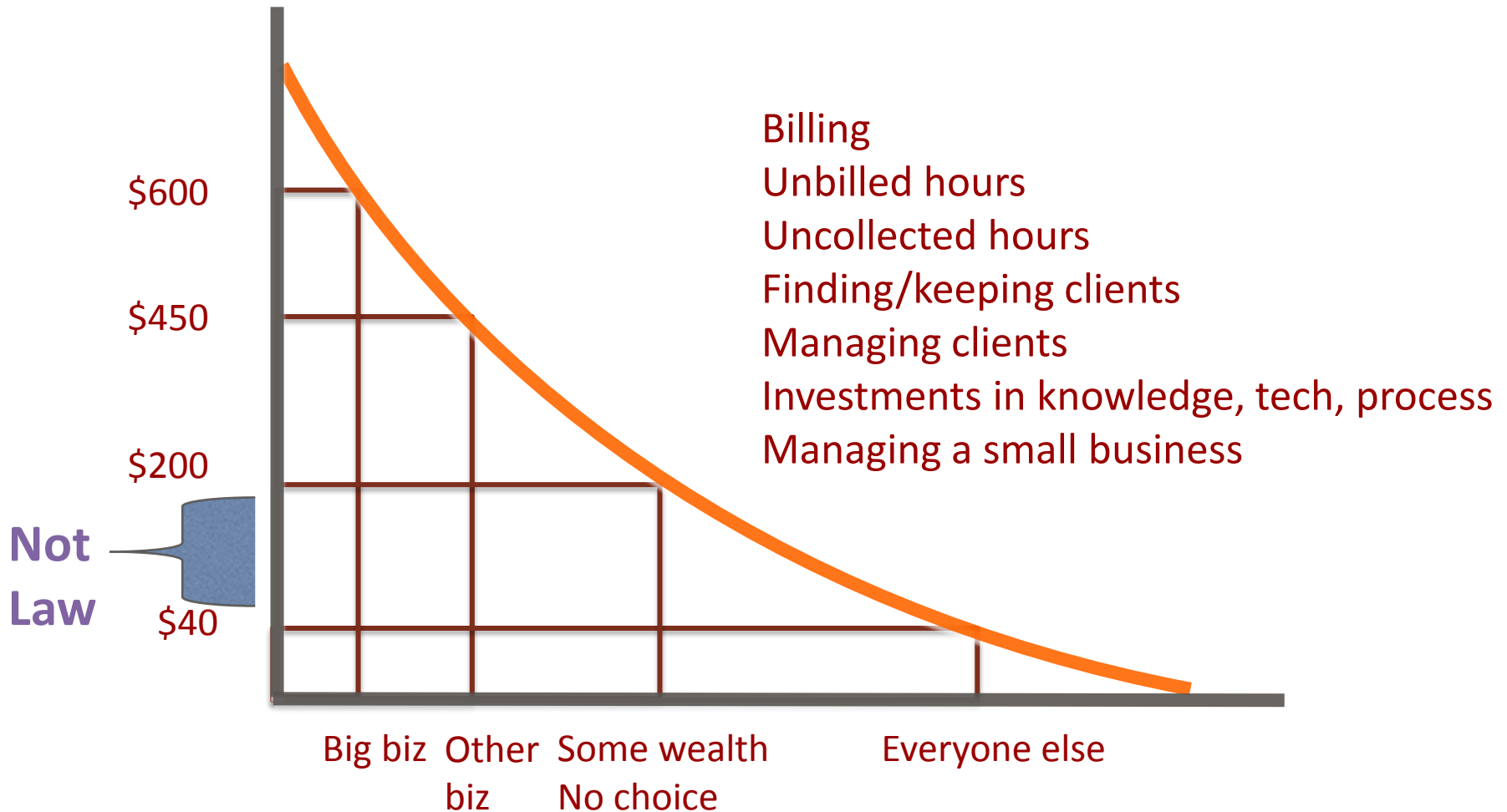


Share of all law firms (2007)



40th percentile

\$132,000 average revenues
\$ 89,000 average after payroll
\$ 65,000 take home?





Ideas

Risk-taking

Money



What are the obstacles to innovation?



Professional Regulation

Restricted/homogeneous pool of potential innovators

JDs only



No access to diversified risk capital

“Corporate practice of law”

Limitations on business model and risk/incentive contracts

“Fee-sharing”