

NO MORE WIGS AND ROBES?

Are We Near The Tipping Point

In Professional Firm Management And Structure?

[Gerry Riskin](#), the distinguished international consultant, quoting from his article, *The Seven Immutable Laws Of Change Management*, laid out truly sensible rules for managing change in law firms (and applicable as well to accounting firms.) But what was really remarkable was that he was talking about a word – *change* -- that, until recently, had as little currency in the professions as, well, *competing*.

In a recent article by Gerry's Edge International partner, [Ed Wesseman](#), the author talks about why law firm associates, and, he says, even young partners, "...have a different set of aspirations and values than previous generations." Startling reading, and helpful conclusions.

The noted observer, consultant, and professional services philosopher, [David Maister](#), on his blog, talks about the end of apprenticeship in professional firms. "The way firms or companies attracted young talent was to offer an apprenticeship -- the expectation that people would join the firm and would be helped to progress along a reasonable well-defined career path...to become...partners or moved on. People joined the firm for careers, not jobs." All that has changed, he says, and with strong evidence to back it up.

Bruce MacEwen, one of the most widely read and deeply respected bloggers (as [Adam Smith, Esq.](#)), who is both a lawyer and an economist, continues to fill the blogosphere with the most cogent and innovative analyses of changes taking place in the profession. His pioneering discussions on the economics of law firms – their structures and governance – can hardly keep up with the changes being wrought by firm after firm. He speaks of the role of Efficient Market Theory in the profession. He tells of the growing number of firms reexamining the relationship between the associates and the partners, and even cites a law firm that has so completely abandoned the traditional structure to consider first-year associates as possibly eligible for partnership. The traditional Dickensian top down law firm, he implies, is an anachronism rapidly giving way to a changing relationship between the top and the bottom of firms. He talks of changes in the billing structure the way it should be discussed – as an economic formula.

A leading observer of trends and one of the most highly regarded bloggers in the blogosphere, [Carol Elefant](#), raises serious questions about the peculiar flaw in the profession that makes otherwise

smart lawyers cling to outdated notions about the role of women in law (and likewise, in accounting). This is a situation where ancient traditions of male dominance supersede the sound economic and academic reasons to strike down gender or race decisions about non-males and non-Caucasians in law firms. No longer a small complaint, but a large case for replacing prejudices with sound reasoning that serves both the profession and all its practitioners.

The changes in the professions and the way they operate are cascading. The way things used to be, unchanged for generations, are rapidly changing --- and therein lies the tipping point observation. *For those not au courant, a tipping point, as defined by Malcolm Gladwell, is the point where obscure and sometimes seemingly irrelevant events tip over into massive and pervasive action.* These changes mean that tomorrow's law and accounting firms will be substantially different from the professional firms of the last 100 years. It means, as well, that clients will be better served, as well as the professions – and without the loss of professionalism, probity, integrity, and prestige so integral to the practice of law and accounting.

I believe that these changes were brought about by several key and identifiable events – the advent of competition enabled by the landmark U.S. Supreme Court decision, *Bates v. State Bar of Arizona (1977)*; the burgeoning technology and the rapid grasp of its uses by lawyers and accountants; the growing understanding of knowledge management (which is still emerging); the emerging attitudes towards clients; the increasing mergers and their meaning; the beginnings of understanding about internal communication – and much, much more.

And of course, what caps it off is the last ditch attempt to stave off progress by that anachronistic proposed ruling on advertising and marketing promulgated by the New York State Bar.

OK, so what to do about it? At least the following...

- Learn to think forward, not backward.
- Learn to listen better to clients. Learn their businesses and industries, and to hear and understand problems before, not after, you give advice
- Learn what other firms are doing in such forward-thinking ideas as value billing, two-tier structures, knowledge management and internal communications
- Learn to question everything you do. The question you ask yourself is, "This is the way it was done yesterday. Is there a better way to do it today and tomorrow?" A truly powerful question.

- Recognize that the shortage of brains and talent in these times is so acute that you can't afford to concern yourselves with the race or color or age or gender in which those brains and talent come.
- Recognize that you may be lawyers, but you're in a business, and business requires trained and talented leadership, and flexible structures to meet the challenges of a dynamic environment.

And that's just for starters. Do these things, and you'll ride the wave of the tipping point.

Oh, and one more thing. If you don't at least try to do these things, then just sit back and watch your competitors, because they will be doing it. And growing and thriving, as you decline.

This article first appeared in [The Marcus Perspective](#).