



To be or not to be

Ten things that keep lawyers awake at night



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In the last decade, the reality of law firms has changed dramatically, and will continue to change at an increased rate. Quite a few world experts even go so far as to predict the “death of the profession.” Managing partners around the world feel every day that the rules of the game for success have changed and that their past success and the branding of the firms they are leading do not guarantee any future success.

Ten factors have created these stormy “white waters” and are the main things that keep sleep away from executive partners:

First reason: technology is changing the rules of the game!

As for other consulting professions, developments in IT and Big Data are likely to dramatically affect law firms. In many of the services currently provided by law firms, the advent of technology

will dramatically affect fees and cause significant cutting.

A clear example of this change is the introduction of a system called ROSS - the first digital lawyer. One of the firms that has already announced the use of this system is Baker & Hostetler, a reputable US based law firm. Ross is able to scan vast amounts of information, find connections based on existing laws, and even answer specific questions about files or guidelines that users have already entered.

Second reason: We have tough competition for every customer, customers are not loyal and want more for less!

The days have ended when clients came to law firms and agreed to pay high prices for expensive working hours. The aggressive competition in the market and the desire of today's client to get more significant added value for the money he or she pays has created new challenges for growth. If the customer feels that what he or she receives from the firm is a commodity, then he or she will look for the cheapest rate. Managing partners understand today that partners and managers in the firm must be much more proactive, enter new market sectors and use modern marketing methods, and know that in order to provide significant added value to the client, the law firm will need to know the client closely and the industry in which he or she operates. Proactive, creative and innovative - the challenge is that many partners do not have the

Generation Y and Z - we do not understand them and they are not with us!

appropriate set of skills or the motivation to achieve this.

Third reason: Generation Y and Z - we do not understand them and they are not with us!

We have all witnessed a significant change in the world of work since the Y generation entered the labor market about a decade ago. This change has continued as the Z generation have entered the last few years. These two generations are very motivational, global thinkers, entrepreneurs, lovers of change and moving quickly from one job to the next. Law firms must build strategic processes to attract, promote and retain the best in the firm and sustain high levels of enthusiasm and motivation. In addition, these generations do not intend to wait 15 years until they are promoted to be partners. Today, many managing partners understand that they cannot simply set wages and promotions to suit themselves. They understand that they must create a winning organizational value proposition for these workers and be more flexible to their wants and needs if they want the most talented to reach them and stay with them over time.

Fourth reason: My partners do not want to change!

Anyone familiar with the legal profession knows it to be conservative and "tough" on change. Many of the firm's partners feel they are respected experts in their field. They often do not internalize that the world is changing and that they have to adapt to the new world of work. It does not matter that all the red lights are lit - these partners still resist change and continue to stay in the well known comfort circle, failing to recognize that firms that do not plan effectively for the new world of work and do not invest in the right areas will disappear. And yet, the leadership of many firms often still does not know how to successfully cope with the conservatism and rigidity of their partners and encourage them to leave their comfort zone.

Fifth reason: Business organizations have set up legal departments

Many business organizations that have used the services of law firms have realized that it is cheaper to hire professionals in house. This makes it much more difficult for law firms, which must work harder to demonstrate that their professionals provide added value above what a client can achieve by using in-house talent. They will have to be sharp, creative, innovative and have a broad and in-depth perspective. However, not all partners are in this place.

Sixth reason: Our corporate culture is from the 19th century!

Leading global strategy companies have concluded that the most significant differentiation lies in the corporate culture of the firm. The challenge of most firms today is to build an organizational culture where people feel important and meaningful, and want to do the best they can for their clients. An organizational culture that has transparency, positive relationships, teamwork and concern for the wellbeing of managers and employees. An organizational culture where creativity and innovation are at the heart of professional endeavor. Many executives understand that their existing organizational culture is a long way from the one they have to build and that if they want to deliver a winning value proposition to their customers, they must do so as quickly as possible. However, this is a major shift, so many of them fail to convince their partners that organizational culture is important.

Seventh reason: I do not have partners and managers with a set of abilities suitable for the new world of work!

While in the past, managers and partners were promoted on the basis of professional abilities, today these capabilities are not enough. In today's complex and changing world, lifelong learning is at the heart of the success of partners and managers. Each partner must develop capabilities in five

areas and become a “complete consultant”: The first area is, of course, the professional field - their area of expertise. The second is the business and marketing field - the days when the partners would sit in the office and the customers would come to them have ended. Today, each partner must step out of his or her comfort zone to develop a set of capabilities and become a “marketing person” and a Trusted Advisor for his or her existing and future clients. The third area is the field of emotional intelligence - abilities such as emotional self-awareness, empathy, flexibility of thought and behavior, determination and motivation. The fourth area is technology. Lawyers will have to be smart users of existing technologies and even invent future technologies. The last area is leadership - a partner will have to become an inspiring leader who encourages his or her staff to follow and do the best they can. Managing partners around the world feel that there is a huge shortage of partners and managers with the “complete consultant” capabilities required for success in the new era of work. Moreover, executives feel that many partners have “fixed mindsets,” meaning that it is impossible for them to develop this set of abilities.

Eighth reason: We have no inner motive force: vision, values and a sense of destiny.

The story of each organization consists of three parts: 1. The sense of mission - who are we? And what are we doing here? 2. Organizational vision - where are we going? 3. Organizational Values - What will guide us on the way?

Most partners in the various firms do not understand the importance of these ingredients, and subject them to ridicule and cynicism. Leading global strategic companies mark the “organizational story” as the most important driving force in a reality where change has become permanent and the water is turbulent. Most management partners understand that “the firm’s story”

is important, but they have no idea how to create it, and especially how to assimilate it, so that all partners and employees will “stir it up in the belly”, behave according to its values and, above all, feel a sense of purpose and profound meaning.

Ninth reason: We are at the end of the shareholder era!

The business world has experienced the end of the shareholders’ era and the beginning of a new era - the era of stakeholders. In the past, managers mainly thought about the short term, and especially about high returns for their shareholders - their partners. A new era is beginning. In this era, the firms that will achieve long term success will think of all their stakeholders - employees, suppliers and the community.

The tenth reason - I have no idea where to start

The language of the 21st century is still alien to many leaders. Many of the concepts of organizational culture, vision, sense of purpose, innovation and emotional intelligence sound like an incomprehensible language. Many managing partners feel that they have no idea where to start the change and how to connect the dots and so are still stuck in the past. At the same time, they realize that the hourglass has been reversed and that their time to prepare the firm for the future is limited. Richard Susskind, the author of reference books on the future of the profession, predicts that the profession will not die, but the coming decade will be a struggle for the survival of those who did not take the right steps to modernize. On the other hand, successful firms will welcome new technologies that will build a winning corporate culture, drive their partners and managers to develop the full set of capabilities of the consultant, and ultimately deliver a winning value proposition to employees and their clients. The remaining question is: how can this be achieved?

About the authors...

Ayala Reuven Lelong is an expert in the new world of work and leads strategic processes in Israel and around the world, assisting consulting firms and business companies to adapt themselves to the new era of work. Ayala has created tools for measurement and evaluation that measure the readiness of organizations and practices for the new work world and models for creating a winning corporate culture that suits the new reality and for developing the capabilities for the success in the 21st century. In recent years based on in-depth processes led by various organizations and practitioners, she has authored three books: White Water Paddling - Success in the 21st Century, Being Tomorrow's Doctor - Journey on Five Continents and Riding the White Water Rapids - The Story of My Success at KPMG.

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