

BlawgWorld 2006

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SAMPLE

BLAWGWORLD 2006
Capital of Big Ideas

Population: 51

Edited by Sara L. Skiff

PREFACE



Ideas are free. But while the author confines them to his study, they are like birds in a cage, which none but he can have a right to let fly: for till he thinks proper to emancipate them, they are under his own dominion.

— Sir Joseph Yates, *Miller v. Taylor*, 4 Burr. Part IV, Page 2379.

A *blog* is an easy-to-use publishing tool that enables people to “post” articles, photos, and even videos in reverse chronological order on a Web site. A *blawg* is a legal-oriented blog. Most blogs (and blawgs) feature a *Web 2.0* technology called *RSS Feeds* that enable you to monitor them with an *RSS Newsreader*, an email-like program. [See J.D. Lasica, *RSS Newsreaders and Other Alternatives to Web Browsing*.](#)

According to various studies, approximately 80,000 new blogs launch every day, including dozens of blawgs. No one knows how many blawgs exist, but whatever the number, monitoring them — even with an RSS Newsreader — would amount to a full-time job. You probably don’t have that kind of time yet you probably do want to tap into the blog phenomenon.

This conundrum explains why we created this TechnoLawyer eBook. In it you’ll find thought-provoking essays from the most influential blawgs — 51 essays from 51 blawgs to be precise. The essays were handpicked by each respective blogger as most representative of their blawg. As a result, you will likely find several blawgs worthy of your continued attention. When you do, just click on the blawg’s screenshot to visit its home page. Or just search for the name of the blawg in Google.

Get the Whole eBook

As noted above, *BlawgWorld 2006: Capital of Big Ideas* consists of 51 essays, but this sampler version contains just one of these essays. To download the entire eBook free of charge, please visit www.blawgworld.com.

Our Heartfelt Thanks

We would like to thank each of the participating bloggers for their enthusiastic support of this eBook. Obviously, *BlawgWorld 2006: Capital of Big Ideas* would not exist without their insightful contributions. These bloggers do indeed have big ideas!

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Having practiced in two large New York firms and in-house at a major Wall Street investment bank, Bruce MacEwen understands the realities of practice from the inside, and is passionate about the “business side” of law firms. He was educated at Princeton University (BA, economics), at Stanford Law School (JD), and at NYU Business School (MBA candidate). Bruce lives in Manhattan with his wife and dogs.

Blog Bio:

Adam Smith, Esq., an inquiry into the economics of law firms, addresses every aspect of managing large, complex and sophisticated law firms. The blog enjoys nearly 100,000 visitors/month and was featured in The Wall Street Journal.

Founding Date:

January 2004

Topics:

Strategy, leadership, finance, M&A, globalization, IT, knowledge management, marketing, compensation, and cultural considerations

Are You a Prince or a Baron?

Aren't you relieved that you don't have wolfpacks of Wall Street analysts and the multimedia, 24/7 business press breathing down your neck to deliver “the numbers” every quarter? Isn't it great living in private-firm land and having the luxury of focusing on the long run?

The problem is: Are you really? I would argue that the pressures of your partner-colleagues, who have this irrational belief that every year should bring another new Mercedes and two weeks in the south of France, are at least as relentless in motivating short-term thinking as the most acid-penned analyst. So when [McKinsey](#) does a piece counseling public companies on how to balance “performance” (read: this quarter) with “health” (sustainable, profitable growth), I say it's germane to us. Here's the trap:

“One major European financial-services company recently discovered how easy it is for performance and health to get out of balance. After the company had achieved an impressive turnaround in its short-term financial performance in the three years to 2004, it found to its dismay that this success had been accompanied by falling customer service levels, a huge increase in staff turnover, and a fall in its share price. Management complained that the financial markets didn't understand what the company had achieved. But in reality they understood, all too well, that its short-term success had been purchased at the expense of its underlying health.”

This firm is not the exception. Shockingly, more than 80% of executives surveyed said they would cut R&D and marketing costs to make the quarterly numbers—even if they believed it would hurt long-term health.

I'm now going to assume you're convinced longer-term thinking is a healthy habit to have. Let's try to dimensionalize what that means.

Strategy, as always, comes first.

The trouble with the future is that it's unpredictable, so *deus ex machina* strategies delivered from on high are unlikely to survive an encounter with reality. The sane and effective alternative is to develop a portfolio of initiatives, spanning different practice areas, geographic regions, and most importantly different time-frames, that will give your firm options down the road. Only you can identify what those might be, but some examples would be: Putting a few litigators in an office opened for another reason to test the local waters; making a bet

continued ...

on a region's economic growth engine and preparing to serve it (wouldn't it have been nice to have a high-tech practice capability in northern Virginia ca. 1993?); or deciding that it's too expensive to cherry-pick laterals for practice group X and start a concerted effort to groom associates for that field.

Metrics are next. To be of any use, they must be:

- focused,
- relevant; and,
- few.

By "few" I mean three to five, and you probably know subconsciously what some of them are: Client satisfaction; retention of key people; depth of your management pool. If "collection rate on past-due receivables" popped into your mind, go to the back of the class.

Communication. This means both internal and external. Haven't yet done a client survey? Do you think P&G would change the type font on the end-flap of a tube of Crest without multiple focus groups? You care about your clients; it wouldn't hurt to tell them. Ask them what they're worried about. Even spend a "free day" with each of your best clients and let them set the agenda; if that doesn't generate many multiples of the "sacrificed" time, drinks are on me. You should also care what the trade press and even professors at law schools you like to draw from think about your firm; don't leave them to figure it out for themselves.

Internal communication, in a business comprised of "elevator assets," is even more important. And for the record, include associates; you were once one yourself and, with any luck, they are your firm's future.

Leadership is indispensable; nor is it a "soft" value. Anyone bright and verbal enough to be a professional in your firm will be highly attuned to the overall message senior management is delivering. And don't think that message doesn't come through loud and clear, thanks to what Niall FitzGerald, former Unilever Chairman and CEO, called the "extraordinary amplification system" boosting the gain on all pronouncements from the top.

Perhaps above all, in a law firm a leader's goal should be to nurture the future by cultivating talent: This means making sure the right incentives are in place to promote collaboration, effort devoted to the greater interest of the firm and not one partner's individual clientele, sharing, and tying compensation to more than this year's results.

In a memorable metaphor, McKinsey recommends thinking of the role of every manager as that of a "prince" rather than a "baron"—someone responsible for the commonweal as a whole rather than a limited jurisdiction.

Lastly, remember this from Econ 101: Pay people for what you want them to do.

Incentives will always out in the end.