



INDIANA UNIVERSITY
MAURER SCHOOL OF LAW
Bloomington

FutureFirm

Indiana University Maurer School of Law
Bloomington, IN
April 18-19, 2009

Organizers: William Henderson, Indiana University Maurer School of Law
Anthony Kearns, Legal Practitioners Liability Committee (Australia)

Sponsors: Hildebrandt International, Inc.
Indiana University Maurer School of Law
The American Bar Foundation
Law Firms Working Group

The large U.S. law firm is a venerable institution that is under tremendous pressure from clients, associates, and the competition for—and sometimes among—partners. These pressures are exacerbated by a ubiquitous business model that has remained essentially unchanged for nearly 100 years. Although demand for corporate legal services has steadily increased in recent years, there is a view among sophisticated corporate clients that the legal services industry has not kept pace with innovations in other service sectors. In addition, many young lawyers are unwilling to commit to a business enterprise that demands 24/7 service but offers little or no security and minimal commitment to broader social values. Despite these warning signs, the vast majority of firms continue to grow while simultaneously chasing a finite amount of premium, price-insensitive work.

Is it possible for large corporate firms to continue to thrive without rethinking their business model? The organizers of FutureFirm want to find out.

The Concept

FutureFirm is a game of strategy, skill, and endurance. The goal of the game is to craft a new law firm business model that is likely to survive and thrive 20 years into the future. The event will consist of ten teams of four players each. Each team represents one of three key constituencies:

- (1) In-house lawyers/general counsel (3 “Client” teams)
- (2) Law firm partners and managers (4 “Partner” teams)
- (3) Associates and law students (3 “Graduate” teams)

The four Partner teams will each be in control of a fictional Am Law 200 law firm. The first job of each Partner team will be to elect a Managing Partner who will act as the spokesperson for the team and otherwise have the authority determined by his fellow Partners. Each Partner team will have the benefit of one seasoned law firm consultant, supplied by Hildebrandt. The winners (1st, 2nd, and 3rd place) will be determined by a 12- to 15-person Judging Panel consisting of law firm partners, academics, in-house lawyers, at least one Gen-Y lawyer/student, one malpractice insurer, and one consultant.

The game consists of three rounds:

Round #1: Baseline Strategy will begin at the Indiana University Maurer School of Law on the morning of Saturday, April 18. (There will be a purely social dinner on Friday, April 17th for all who arrive on time to attend. See “Additional Information” on the next page.) The goal of this round is for each Partner team to develop a model and strategy that will engender a commitment from one Client team and one Graduate team. Partners are encouraged to think creatively and challenge conventional wisdom. The model and strategy should address the following elements, though each team is free to identify which factors are truly integral to its FutureFirm business model:

- Target markets
- Firm differentiation
- Resourcing
- Geographic spread
- Areas of practice
- Ownership model
- Remuneration and reward
- Entry level recruitment¹
- Associate/Partner retention.

After the teams meet separately to formulate their initial goals and strategies, Round #1 will move into a facilitated Baseline Workshop where the perspectives of Partners, Clients, and Graduates will be shared and promising ideas will be highlighted and developed. Thereafter, the teams will be given time to negotiate an alliance among Partner, Client, and Graduate teams. Because there are four Partner teams and only three Client and Graduate teams respectively, one Law Firm will dissolve at the end of the first round (perhaps for the sin of being *too* realistic—a virtue in subsequent rounds), with Partners becoming “lateral hires” of one of the three viable firms.

Round #2: Collaboration and Refinement provides an opportunity for the three Partner-Client-Graduate alliances, and their Consultant, to collaborate on a long-term strategy and business model that has the best chance of survival in the next 20 years. Round #2 ends with a presentation to the Judges in which Clients, Graduates, and Partners must explain, from their perspective, why the proposed Future Firm Model offers them an attractive value proposition and is therefore sustainable.

After a Q&A session at the hands of the Judging Panel, the three alliances revise their proposals for the final round. To facilitate this process, each Group will be seated together at dinner at two adjacent “members-only” tables.

Round #3 presentations will take place the following morning at 8:45 am, permitting all participants to sleep on their chosen strategy and undertake further refinements prior to the final presentations. Each group will have 25 minutes to present and answer questions on its

¹ Partner teams that attempt to end entry level hiring, primarily because Clients are reluctant to pay for them, will have a difficult time forming a Graduate alliance, which is a precondition of advancing to Round #2. More fundamentally, the Graduates are the lawyers who must be relied upon to keep the firm going 20 years into the future. When firms collectively conclude that it is better for other firms to supply the training and experience needed to create expert lawyers, the pipeline of talent will eventually run dry.

Future Firm model. Thereafter, while the Judging Panel deliberates, the participants will enjoy brunch at the Memorial Union's beautiful Tudor Room.

At approximately 11:30 am on Sunday, April 19, the Judging Panel will announce the winning alliance, and the second and third placed teams, and allocate the \$15,000 prize money accordingly. However, the game doesn't end there. As a show of commitment to the winning strategy, the Managing Partner of the winning team will be asked to reveal how the prize money will be distributed among the team members. (Discretion remains with each Managing Partner, but possibilities include donations of some or all of the proceeds to one or more charitable organizations, gifts for understanding family members who enabled participants to attend this event, or modest windfalls for some of the impoverished student players.)

NOTE: To ensure an accurate record of the innovative ideas, the organizers plan on making a digital recording of Round #3, including the deliberations of the Judging Panel. It is possible that future events will reveal the true winner of the FutureFirm competition.

Aric Press, editor-in-chief of *The American Lawyer*, has agreed to cover this event. Thus, in addition to a \$15,000 purse (put up by Hildebrandt International, Inc.), the winners will bask in the glow of being thought leaders while enjoying the cover of plausible deniability for some of the more radical ideas uttered during the course of game.

The organizers hope that not only will FutureFirm be an educational and entertaining event but the ideas will form part of the collective knowledge that will assist the legal profession survive what promises to be the most challenging period of its history.

Additional Information

Indiana University Maurer School of Law will supply two nights of lodging at the Biddle Hotel in the Indiana University Memorial Union, all meals, and transportation costs to and from Indianapolis Airport. We ask that participants make arrangements to cover their own airfare, although full reimbursement for travel to Bloomington may be approved in advance on a case-by-case basis for some participants. Briefing books with biographies and a description of the game format will be distributed to all participants by late March. The IU Maurer School of Law will host a cocktail and dinner reception on Friday, April 17 for all participants who arrive in Bloomington in time to attend. We ask that participants book return flights that leave **no sooner than 2:00 pm (and ideally after 3:00 pm) on Sunday**.

A tentative timeline and format for the FutureFirm Competition is set forth in Appendix A. A schematic of teams and alliances in Rounds #1 - #3 are contained in Appendices B and C.

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Appendix A:

Tentative Format and Timeline

There is very little advance preparation for this event. We ask that participants review the memo detailing the attributes of the fictitious Am Law 200 firm. Teams will be announced in advance, and participants will be given access to a website with links to articles that may provide some inspiration. Because the Partner Teams have to make the first move in the FutureFirm game, we asked that each four-person Partner team discuss a preliminary strategy during a 30 to 60 minute a conference call convened by the Hildebrandt consultant during the week leading up to the event.

Round #1 begins on Saturday morning, April 18, at 8:30 am at the IU Maurer School of Law and lasts for four hours. The goal of this round is to form a Partner-Client-Graduate alliance:

- 8:30 am. Partners, Clients, Graduates, and Consultants are introduced to the event and what the day will hold.
- 9:00 am. *Retreat I*
 - Partner teams + Consultant retreat into preliminary strategy session in a room with tables, chairs, white boards, and Internet access. Each Partner team is expected to address the following aspects of their business: markets, firm differentiation, resourcing, geographic spread, areas of practice, partner remuneration, entry level recruitment, and midlevel attorney retention. Partners are encouraged to think creatively and challenge conventional wisdom.
 - Each Client and Graduate team retreats to explore benefits/issues with the current law firm models.
- 10:00 am. *Baseline Workshop*. All participants return for a facilitated workshop to explore and record the different perspectives.
 - Partners present their strategies and models.
 - Clients and Graduates present their needs and benefits/issues with current models
- 11:30 am. *Team Negotiations*. Clients and Graduates retreat to their office suites. Law Firm representatives communicate with Clients and Graduates to discuss a possible alliance. Any method of communication is permissible, including face-to-face meetings, cell-phone, email, text messages, etc. Alliances are created through a signed memorandum of cooperation (the organizers will provide the template). These memoranda, however, are binding only when the Partner team obtains the signature of a Client team *and* a Graduate team.
- 1:00 pm. *End of Round #1*. Law Firms announce their Client and Graduate alliances. In the event that two Law Firms have only one Client and one Graduate alliance respectively, the remaining unmatched Client and Graduate teams will caucus and decide on a Law Firm. The Law Firm without clients or associates is thereby dissolved. In turn, one partner/manager from the imploded firm “laterals”

into one of the three surviving firms. The remaining partner and consultant join the panel of Judges, who will evaluate the winner of the second and final round.²

- Lunch will be served from 1:00 to 2 pm.

Round #2 begins at 2 pm and lasts until 5:45 on Saturday. The purpose of Round #2 is for all the key constituencies to formulate a law firm business model that is most likely to endure and thrive into the future.

- 2:00 pm. *Panel Presentation:* The Judges present their challenges to the Partners, Clients, Graduates, and Consultants, thus enriching the factual scenarios confronting each team.
- 2:15 pm. *Retreat II.* Partner-Client-Graduate-Consultant alliances retreat to discuss strategy. Whereas Round #1 may have encouraged Partners to make extravagant promises to Clients and Graduates, now the newly formed teams of fourteen must work together to win the votes of the Judging Panel. Each team will be given a seminar room in the Law School equipped with Internet, Chalkboards, an LCD projector, a printer, and a student who can provide various gopher functions. Each alliance will have two hours to formulate their strategy.
- 4:15 pm. *Team presentations.* Each team will have 20 minutes to present its business model to the Judging Panel, once again touching on the following topics: markets, firm differentiation, resourcing, geographic spread, areas of practice, partner remuneration, entry level recruitment, and midlevel attorney retention. Each presentation must include a testimonial from both Clients and Graduates on why the new model offers them an attractive value proposition. Judges can ask as many questions as time permits. The teams will be permitted to observe each other's presentations.
- 7:00 pm. *Cocktails and Working Dinner.* Dinner and Cocktails will take place at the Memorial Union Federal Room. Following cocktails, each alliance will be given adjacent "members-only" tables to discuss their strategies for Round #3.

Round #3 takes place on Sunday morning, April 19th at 9:00 am and consists of a single round of twenty minute presentations by each alliance. Once again, each constituent group (Partner, Clients, and Graduates) must explain why the New Model will stand the test of time, touching on the issues of markets, firm differentiation, resourcing, geographic spread, areas of practice, partner remuneration, entry level recruitment, and midlevel attorney retention. Although the presentations begin at 9:00 am, each alliance will have access to their seminar room as early as 7:30 am. Following the presentations, the Groups will enjoy a brunch buffet at the Tudor Room (in the Indiana Memorial Union, where participants are staying) while the Judges deliberate and select a winner.

Winner

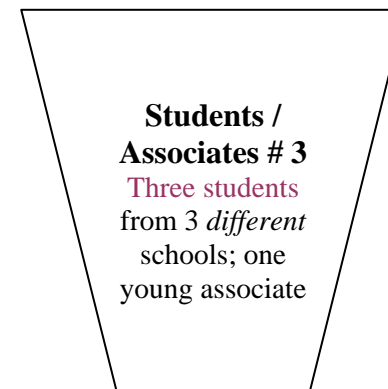
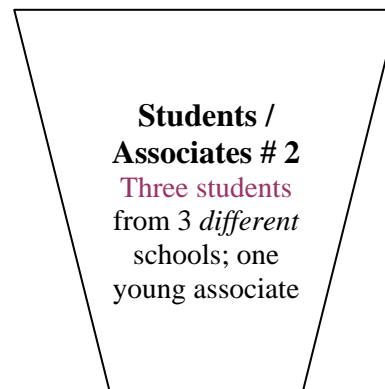
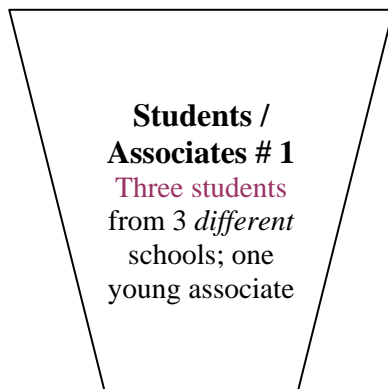
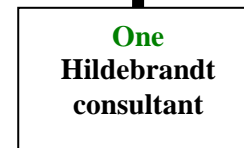
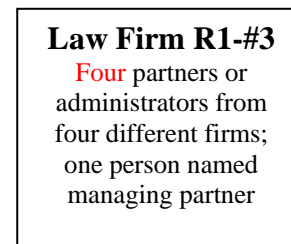
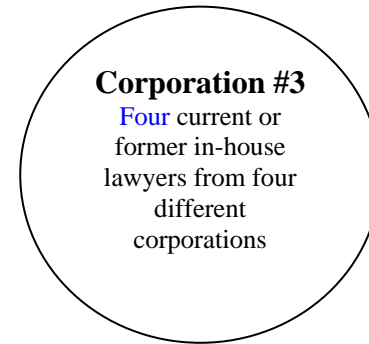
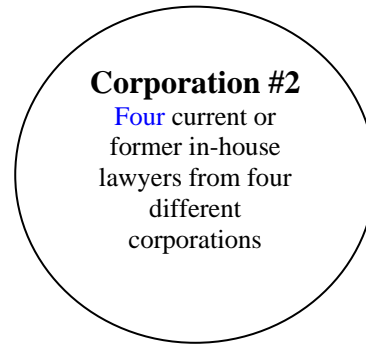
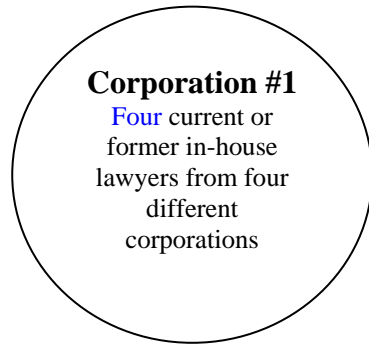
The winner will be announced at approximately 11:30 am on Sunday in the Frangipani Room of the Indiana Memorial Union. Because this competition relies upon both collaboration and competition to generate important and novel ideas, every participant will

² Keeping the losing players in the game is prudent because the incentives of Round #1 favor Clients and Graduates. The realism that might chill in Round #1 will be an asset in Rounds #2-3.

receive a first, second, or third place plaque or memento, which will memorialize their contribution to the event. In addition, the winning Managing Partner will be asked to reveal how the winning proceeds will be distributed. The results of this competition will subsequently appear in *The American Lawyer* and in a more detailed academic article. Each participant will receive reprints. It is hoped that this will become an annual event.

Appendix B: FutureFirm Competition

Round #1, 40 players



Appendix C: FutureFirm Competition

Rounds #2 and 3, 38 players, 14 Judges

