



LawVision™: Navigating the Storm in the Legal Profession

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Denver Meeting

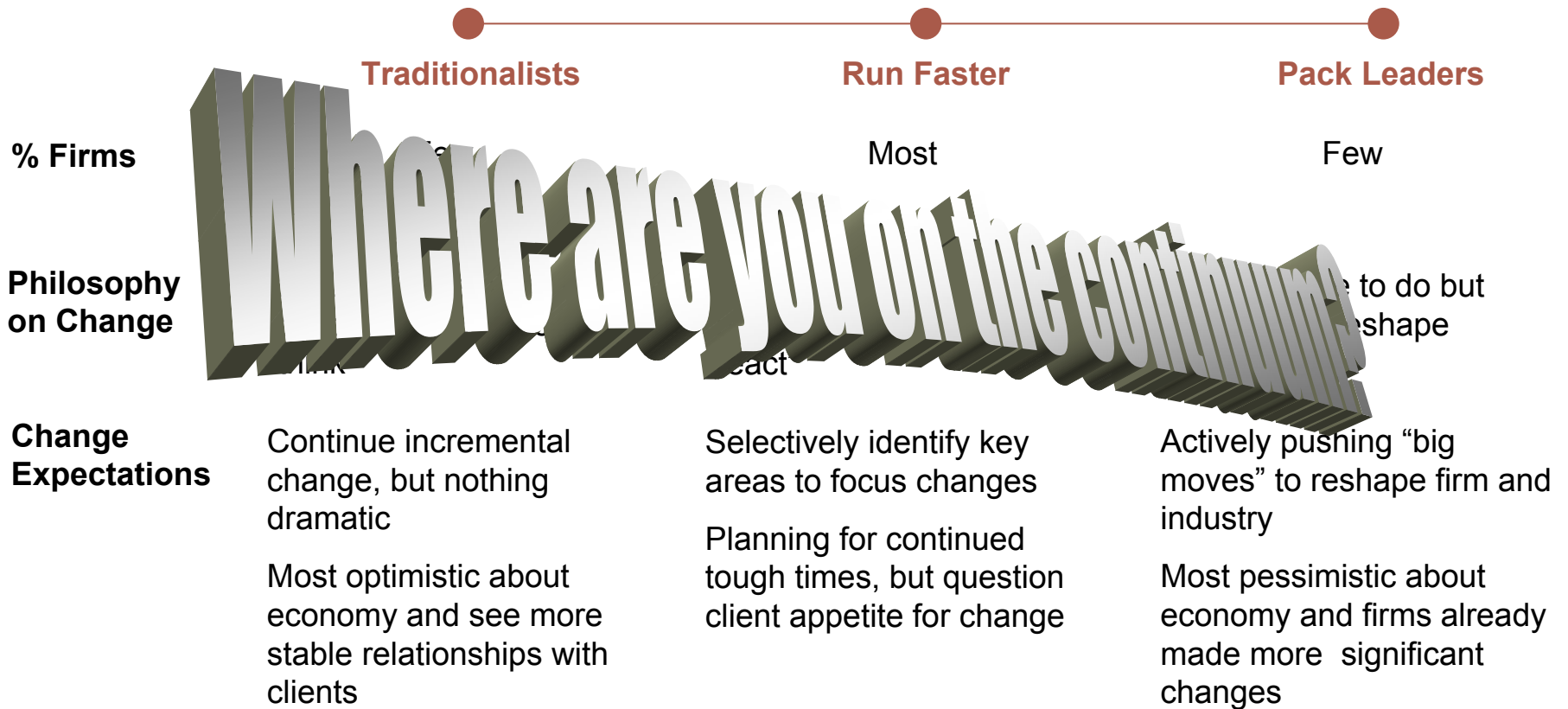
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HILDEBRANDT

The Pace of Change is Accelerating...

Change Frontier for Large Law Firms



Evolution of the Law Firm Leader?

MP Circa 1990?



MP 2009?



What's changed your life as a leader most?

- Bill Auditing? (We did get past this one, eventually...)
- AmLaw profit numbers? (Print is dead!)
- Greedy Associates? (That's so last century!)
- Above the Law? (Is there no such thing as privacy anymore?)
- Legal On-Ramp? (What's that?)

Is all this turmoil really about the economy?

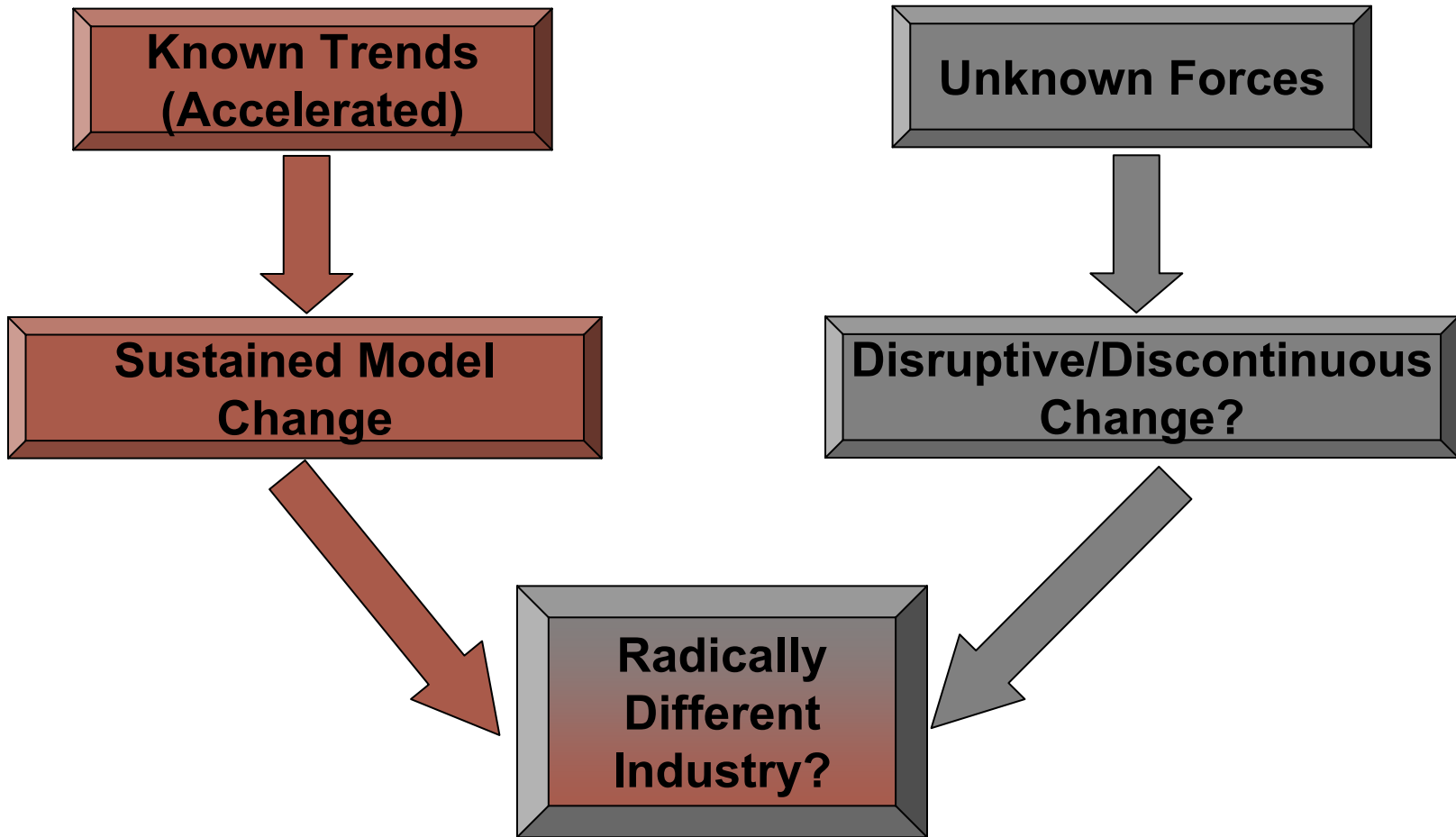
- Before the recession hit, were clients really happy about...
 - 7-8% average annual pricing increases?
 - New law grads who had limited real value?
 - A pricing mechanism modeled after the Soviet Union's economy?
 - Lawyers who think everything is a custom, high-end product?
 - News of ever escalating partner profits?
 - Constant reinvention of the wheel?
 - Lawyers who think “service” means just returning phone calls?
- Clients expect you to compete for their business, and up to now its been a lot more like the DMV

So what effect is the economy having?

A bit like pouring gasoline on a fire...

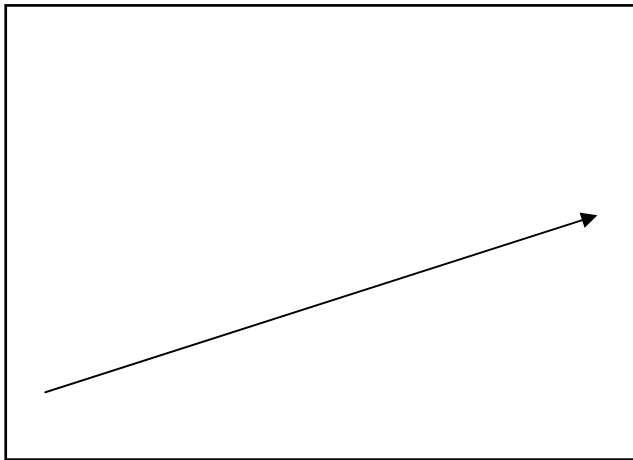
- Rapid shift from sellers' to buyers' market creates fundamental shift in market power
- Broad-based need to control expenses elevates cost certainty to new level of significance
- Excess capacity in the profession forces rapid cleanup of prior mistakes
- Excess lawyer supply accelerates need to assure all lawyers are valuable and productive

Hildebrandt LawVision™ Hypotheses



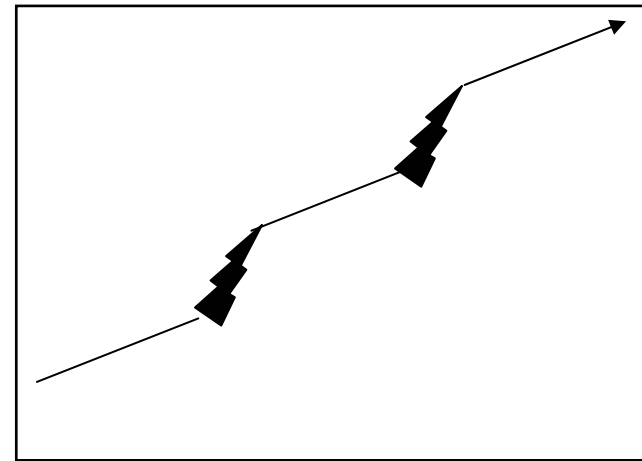
Evolutionary or Revolutionary Change?

Evolution



- Evolutionary changes can be prolonged when profits come easily

Revolution



- Evolutionary periods are shorter in fast changing industries
- Revolution creates periods of turbulence

What is disruptive/discontinuous change?

Days 1 – 300 ~~Days 301~~ of a Turkey



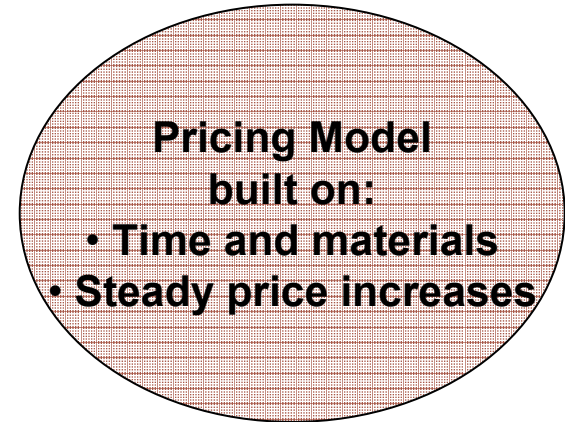


***If we are in or near a stage of revolutionary
or disruptive change, what are we
changing to?***

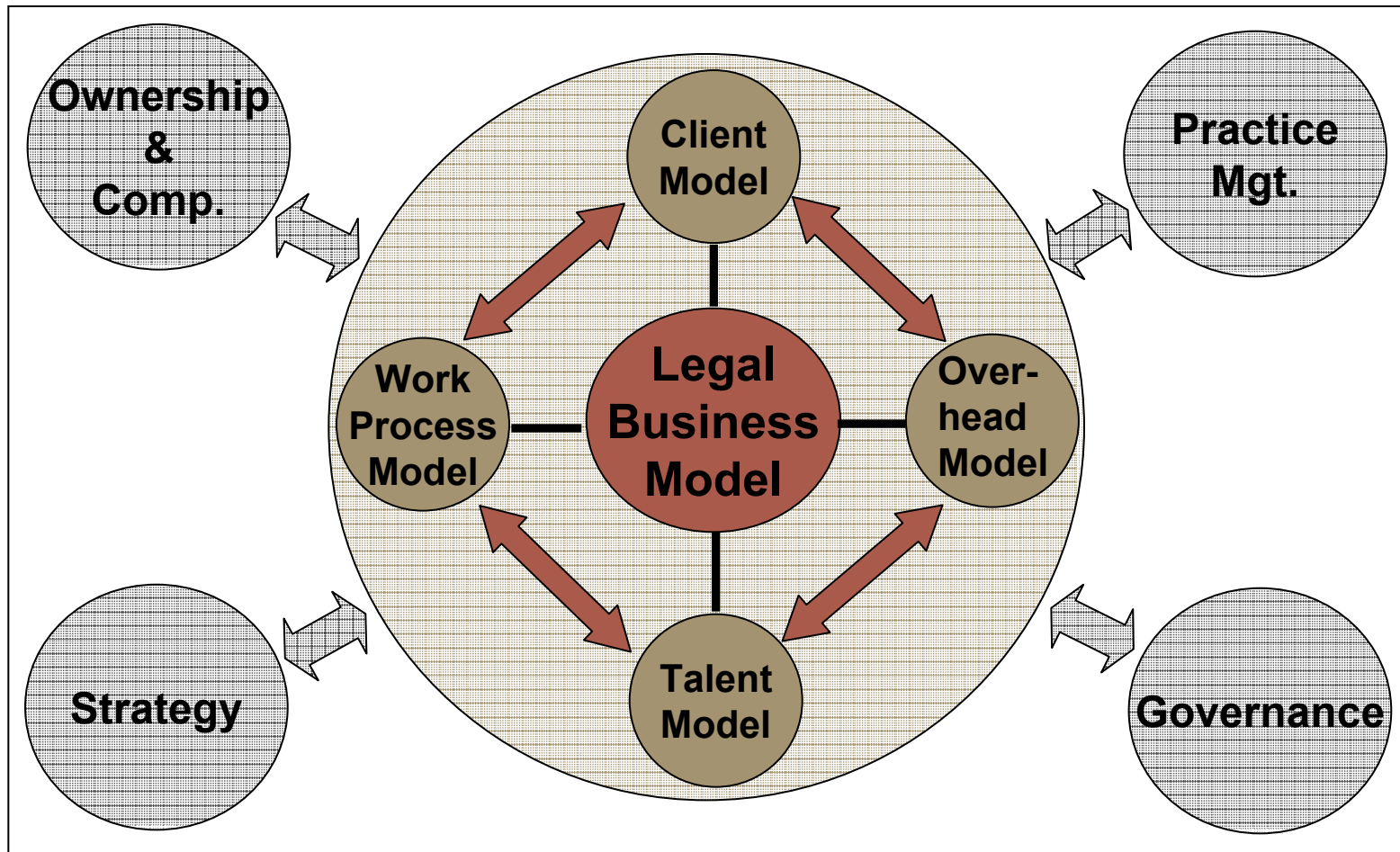


Shift Happens
change...

The traditional model is under siege



And Key Parts of the Business Model Will Change

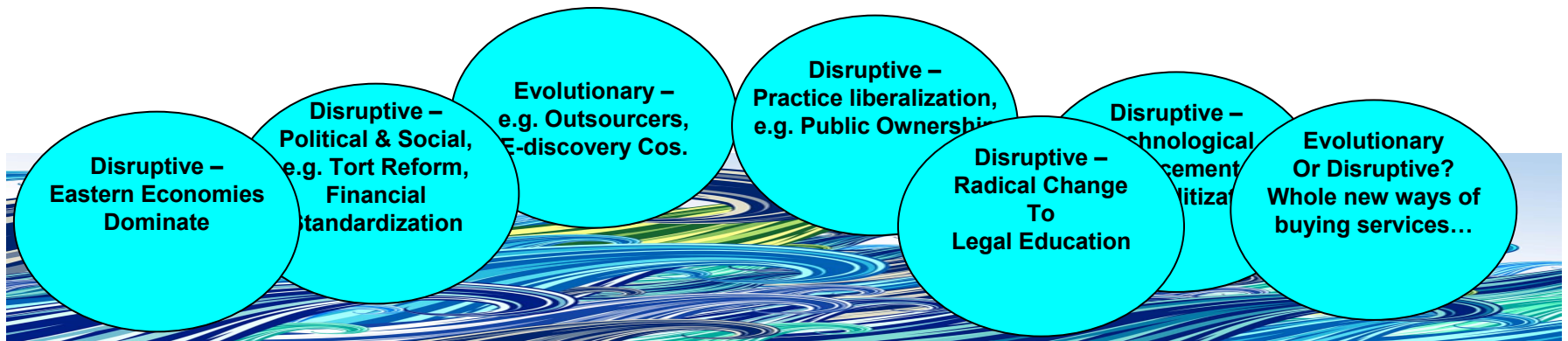


Rippling out from the center



What are we less certain about?

In this environment, you can't be sure what will bubble up...



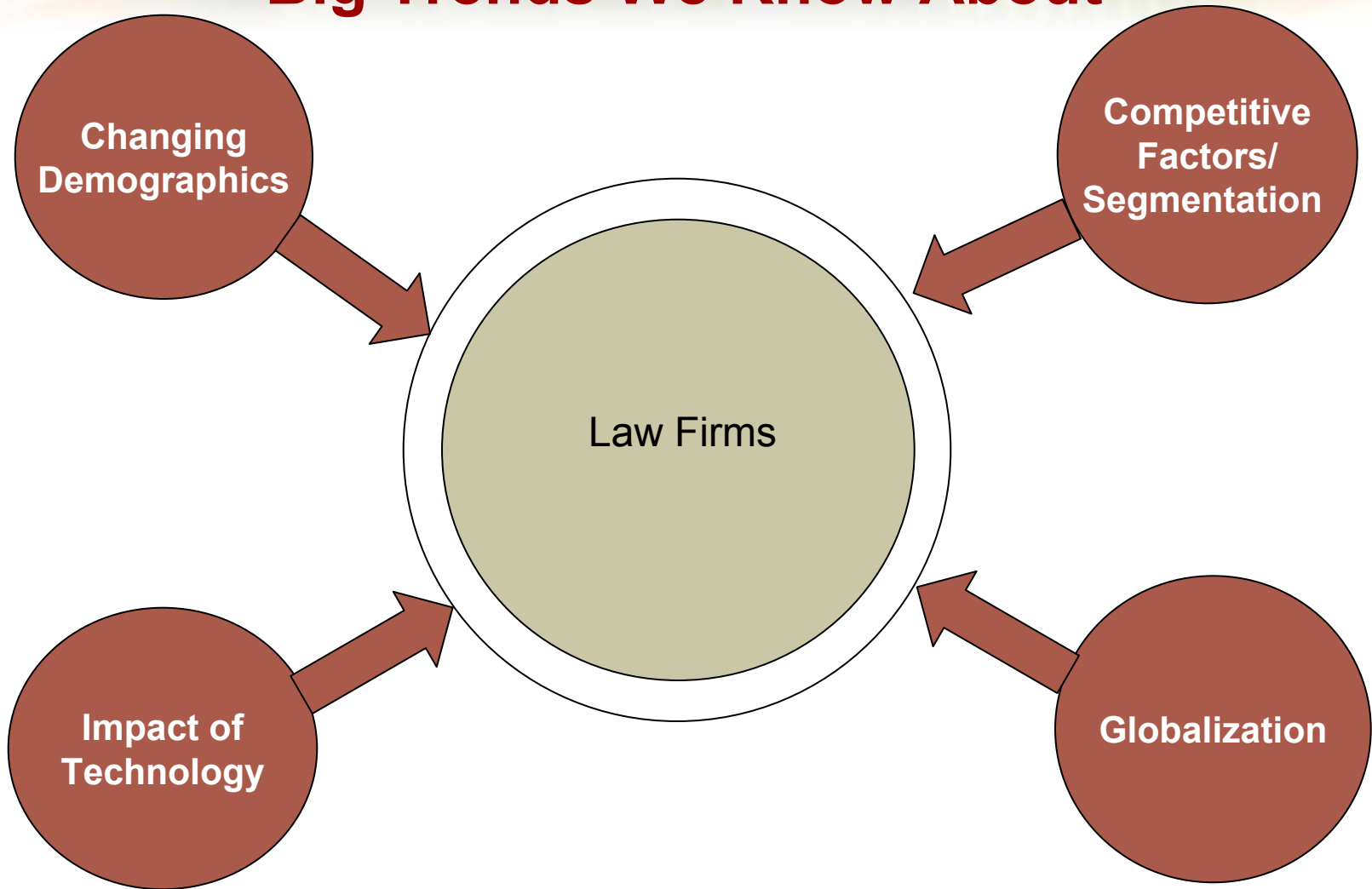


What's really happening in the world today?

<http://socialnomics.net>

<http://www.youtube.com/watch?v=sIFYPQjYhv8>

Big Trends We Know About





How will these affect the business of law?



... for those lawyers who cannot identify or develop the distinctive capabilities... I certainly do predict that their days are numbered.

- Richard Susskind

- The End of Lawyers; 2008



Questions/Discussion