



Lessons
in Leadership:

**An Interview
with
Ron
Friedman**

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on
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- **TELL US A BIT ABOUT YOURSELF AND HOW YOU CAME TO BE IN (OR A CUSTOMER OF) THE LEGAL BUSINESS?**

I worked four years between college and NYU Law School. I was an econometrician, a statistical economist but realized I wanted a graduate degree. When I decided to go to law school, I was not certain I wanted to practice. Working at three large law firms over two summers convinced me that indeed, I did not want to practice. Upon graduating, I went to Bain & Company as a strategy consultant. I learned a lot after three years at Bain but was ready to do something different. I explored if there was a job where I could combine my business experience with my legal training – but not practice. I got lucky. Wilmer Cutler & Pickering (now WilmerHale) created a job for me to focus on what today we call practice support. I believe I was the first non-practicing lawyer in the USA hired by a large firm to focus on legal technology. That was my start in the legal market – and I've stayed there since, in many different roles.

- **WHAT DO YOU DO FOR A LIVING RIGHT NOW?**

I am a partner with Fireman & Company. We are a 15-person management consulting firm

servicing law firms and law departments. We help lawyers deliver more value to their clients by improving law practice efficiency and how lawyers manage clients and matters. We are very strong in practice technologies (e.g., document management systems, enterprise search, experience management, and Intranets), knowledge management, legal project management, artificial intelligence, and process improvement. I've worked with law firms from 100+ lawyers to ones with over 2000 lawyers and law departments ranging in size.

● ***WHAT HAS BEEN YOUR GREATEST TRIUMPH AND YOUR GREATEST SUCCESS IN THE LEGAL SERVICES FIELD AND WHAT DID YOU LEARN FROM EACH?***

I focus less on a single instance than on a track record of helping lawyers work in better ways. Examples include, in rough chronological order from about 1990:

- Building substantive legal hypertext systems before the invention of the World Wide Web.
- Moving lawyers from dealing with paper only in document discovery to one of the first systems for scanning, optical character recognition (OCR), and retrieval via both full-text search and structured data, complete with methods to capture all lawyer review comments
- Anticipating predictive coding with advance semantic search engines to aid discovery
- Helping build one of the first law firm virtual libraries and substantive Intranets
- Pioneering knowledge management, initially via full-text retrieval of work product
- Developing the market for expert systems for lawyers to deliver legal advice to their clients over the web
- Broadening the scope of what knowledge management professionals do from 'pure KM' to a range of practice support functions
- Persuading law firms and law departments that it was safe – and high quality plus cost-effective – to use legal process outsourcing providers
- Creating a system for and framework for change management to cause lawyers to adopt formal legal project management
- Guiding lawyers in how to think about and when to deploy artificial intelligence

Here are a few lessons learned:

- Change management and adoption planning are always essential. Lawyers don't just use a new tech or process because you put it in front of them. Always have an answer to WIIFM: what's in it for me?
- Sometimes you have to wait for the market to catch up to a new idea – the right economics are required for some changes.
- You may need to help lawyers not only understand new options, but also the details of what they do now – otherwise they can have trouble making apt comparisons.
- If you pioneer new tech, choose your starting time carefully – wait too long and you may miss the opportunity but start too soon and you spend a lot on engineering foundational solutions that, over time, become easier and cheaper.

- ***DO YOU THINK THE LEGAL INDUSTRY IS HEADED IN THE RIGHT DIRECTION, THE WRONG DIRECTION – OR WHICH DIRECTION?***

The right direction but slowly. Clients demand more value but need to back that desire with dollars. That is, they need to give business to more efficient and higher value firms – and make that known. Firms are getting better but generally only as fast as clients demand. Alternative service providers gain share with tech- and process-enabled work but still have to persuade clients to go beyond a few areas of high volume work.

- ***WHAT ADVICE WOULD YOU GIVE TO THE YOUNGER GENERATION CONTEMPLATING LAW AS A CAREER?***

Figure out if you think you will like practicing law and what your likelihood is that you can find and hold a job you like. Then weigh that against cost, lost income, and debt burden. My big observation here is that I've asked many lawyer "Do you like what you do" and most answer a different question. So try to be sure you will like what you do, not just the trappings.

- ***HOW READY FOR CHANGE DO YOU THINK THE LEGAL INDUSTRY IS?***

There is much more talk today – from the entire legal supply chain (even a few law schools) – about change. There is also a lot more action, though the action lags the talk.

- ***HOW DEEP DO YOU THINK WILL BE THE INROADS OF TECHNOLOGY IN THE INDUSTRY?***

Deep. Larger law firms have used a lot of tech for two plus decades. Most changes the industry talks about will require technology – new or better utilization of what's in place. Most new initiatives have a tech component, if not on the front end for lawyers or clients, then on the back end to track data, finances, or process.

- ***IN TEN YEARS, DO YOU SEE AN INDUSTRY MUCH AS IT IS – OR DO YOU SEE NEW PLAYERS, NEW TECHNOLOGY AND AN ALTERED STATE?***

Many industries have already been disrupted by tech and digitization. The legal market suffered in but survived the economic crisis largely unchanged. Consequently, and contrary to some commentators, I see incremental change, not disruption. Alternative service providers started appearing a dozen plus years ago. Legal tech start-ups have proliferated in the last five years. The Big 4 continue to nibble at the edges. If the industry transforms

dramatically, it's not obvious to me what will spark it given all the changes we've already seen that have not done so.

- ***WHAT ARE YOUR THOUGHTS ON THE INCREASING AVAILABILITY OF DATA TO GUIDE CLIENT-SIDE PROCUREMENT OF LEGAL SERVICES?***

I love this development. First, I'm a quant jock at heart. Second, only with data and evidence-based decision making about the selection of law firms will pressure mount on firms to improve service delivery, reduce cost, and focus on client satisfaction.

- ***LAWYERS HAVE TYPICALLY REGULATED TO KEEP NON-LAWYER INVESTORS OUT BUT THAT'S A TWO-EDGED SWORD THESE DAYS. WHAT ARE YOUR THOUGHTS?***

The UK and Australia offer ample evidence that re-regulation, including outside investors, does not cause harm. Money already distorts the legal market. US bar regulators operate on supposition and theory, not evidence. At the same time, clients and alternative providers are taking share from law firms. In my opinion, it hurts US lawyers that they do not have better sources of investment dollars.

- ***WHAT'S THE ONE MOST SIGNIFICANT FACTOR THAT WILL DRIVE CHANGE IN YOUR VIEW?***

Clients seeking better value, voting with their dollars, and making clear to the market that they have done so. I said that previously, I know. But it bears repeating.

- ***ARE WE SEEING THE DEMISE OF THE "PROFESSION" AND THE REAL EMERGENCE OF THE "BUSINESS" OF LAW?***

I thought this happened at least 20 years ago.

- ***WHAT DO YOU CONSIDER IS THE GREATEST CHALLENGE FACING THE INDUSTRY?***

Inertia. "Who else has done this" is the first question, not "Will this new idea yield better results, more market share, or lower cost."

- ***WHAT DO YOU SEE AS THE GREATEST OPPORTUNITY FOR THE SECTOR LOOKING FORWARD?***

Practice preventive law. The goal of clients is to reduce legal spend. They need to focus more on prevention and less on remediation. And where legal work is absolutely necessary,

scope it better and make appropriate risk-adjusted decisions about how much is necessary.

- ***WILL THE CURRENT REGULATORY FRAMEWORK AROUND LAW HELP OR HINDER IT IN THE FUTURE***

In the US, hurt. Partnership accounting makes long-term investment difficult, a constraint outside investors would not face. Furthermore, the big and interesting legal problems are increasingly not just legal. Multidisciplinary teams will need to solve many future problems. The current regulatory framework makes it hard for law firms to attract and retain top talent other than JDs. That gives other organizations an opening to provide the expertise from other disciplines. How does that help lawyers and law firms in the long term?

- ***IF A LAW FIRM WAS A STARTUP PITCHING FOR INVESTORS, WOULD YOU BE AN INVESTOR?***

Yes but only if the rules changes and the business side was run by business professionals and the lawyers stuck to law practice. With that mix, I believe a new type of entity would gain share from law firms. But only if clients change fast enough to buy from it. We'll soon have at least one data point on my proposition: Atrium is a recent entrant that is both a law firm and legal tech start-up.

Ron Friedmann has spent over two decades improving law practice and legal business operations with technology, knowledge management, and alternative resourcing. As a Fireman & Company partner, Ron advises law firms and law departments on strategic and operational issues.

Prior legal market positions include Integreon executive team, Mintz Levin CIO, Wilmer Cutler head of practice support, and director at two legal software companies. Ron was also a Bain & Company strategy consultant and an analyst for an economic forecasting firm.

Ron regularly blogs, Tweets, presents at conferences, and writes articles. He is a Fellow and former Trustee of the College of Law Practice Management and co-organizes the leading annual private legal KM summit.



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