Taylor's Perspective ...

Well-Crafted New Book on LPM, Pricing and AFAs Will Engage You and May Change You

Remember when you spent half a day with a client, calculated a bill by multiplying your hourly fee by the number of hours you worked, sent him the bill, and without blinking or balking he paid it. And chi-ching, into the register the money goes. Ahhh, the good old days.

While the billable hour is not dead, despite many predicting its demise for years now, it's no secret that pricing for legal services is undergoing a transformation. Increasingly, clients want lawyers who manage their work systematically and efficiently, and offer alternative fee arrangements.

A decade ago, maybe even five years ago, we likely wouldn't have imagined someone filling this position at a law firm: director of strategic pricing and analytics. But that's exactly the job title of Toby Brown at Washington's Akin Gump, which hired him a year ago this month. And at many partnerships across the country there are others with similar titles whose job, among other things, is to consult lawyers about pricing, value, and efficiency and advise them on how to talk to clients about these related issues.

In his extensively researched and well-written book, Legal Project Management, Pricing and Alternative Fee Arrangements: What Firms Are Doing, Jim Hassett, Ph.D., explores what Brown and other law firm specialists are doing on the pricing front,

examines how partnerships are strategically managing their workloads, offers several case studies on different pricing and LPM models, and provides 10 smart yet practical recommendations in a concluding chapter entitled simply, "What should you do?"

OK, full disclosure: Hassett, a law firm consultant and founder of LegalBizDev, has contributed articles to *Of Counsel*. But I've never met the man and, to help add a layer of objectivity, I purposely didn't interview him about his new book.

When any writer in the legal trade press tackles the subjects of pricing, LPM, and AFAs, she better find ways to spice up the prose or she'll lull her readers into a coma. Hassett understands this and offers engaging anecdotes (including one about the 1960s space race to the moon), thought-provoking questions followed by intelligent answers, and scores of articulate, honest quotes from a variety of expert sources both inside and outside the legal arena.

He often addresses the reader directly in the second-person voice, which helps get and sustain your attention, with a straightforward, clever writing style. Consider "Step 5: Set the price" in "Chapter 9: Types of AFAs" in which he offers guidance in establishing and evaluating fixed fees. Hassett writes, "Now the moment of truth: What will you charge for this work? This is the most important step in fixed-fee work, and the hardest." He goes on to quote a white paper by the innovative Summit Law Group and then ends this "step" with the following sage and candid advice: "So, at the end of the day, when you set a fixed fee, you will have come up with your best guess, and move on. Then keep the agreement as simple as possible, because fixed-price agreements work best in an atmosphere of trust."

Making a Strong Case

Let's back up, though, to the opening chapter. You've got to love Hassett's fresh approach. He tells his readers that they need not read his book chronologically, one chapter following the other. They can skip around, pick and choose. "For example," he writes, "if you already accept the need for legal project management (LPM) and are familiar with its definition and benefits you may want to jump ahead to Chapter 4 to read exactly what law firms are doing about it"

If, however, you did need a definition of LPM, and you also needed to be convinced of its importance in operating your practice, Hassett does a very good job of both defining and convincing. In the first three chapters, he cites surveys, books, and articles from sources like the Altman Weil consultancy, the Association of Corporate Counsel, David Maister, Richard Susskind, and others. And again, his reporting is thorough with quotes from several attorneys and law firm leaders who embrace and implement LPM—and some who don't. He even includes a quote from Voltaire. Simply put, Hassett makes a strong case for LPM.

Naturally, I'm not the only reader impressed with Hassett's work. He got glowing blurbs from a range of partners and C-suite executives at such firms as Shearman & Sterling; Nixon Peabody; Shook, Hardy & Bacon (one of the pioneering firms in AFAs); DLA Piper; Perkins Coie; and several others. But perhaps the most impressive

praise comes from Kim Craig, director of Legal Project Management Office at Seyfarth Shaw, which, as is widely known, has made headlines with its innovative approach to management and its application of the Six Sigma and Lean streamlining system. (See *Of Counsel*, October 2012, page three, "Taylor's Perspective ... InnovAction Awards Honor Creative Efficiency Gains by Littler Mendelson and Seyfarth Shaw.")

"Jim's book is a true testament to the changing legal landscape supported by numerous case studies and facts representative of firms in various stages of their LPM maturity," Craig writes. "For an industry historically known for asking, 'What is everyone else doing?' this book answers that question and ignites a sense of urgency for lawyers and law firms to pay attention to the drum beat of the cultural transformation taking place within the legal industry. To ignore the advice and advances laid out in this book regarding LPM and pricing would be a significant oversight by the reader." I couldn't agree more with Craig's assessment.

The Top 10 (Plus One)

Hassett conveys his most powerful messages in the case studies of various law firms—the "what firms are doing" aspect of the book—and in the final chapter. He builds his prose logically and smoothly to that chapter, in which he provides a top 10 list of recommendations. (Chapter 13 is prefaced with a quote from Booker T. Washington: "An ounce of application is worth a ton of abstraction." Bravo, Booker T!)

The first piece of advice implores law firm leaders to act. "1. Don't overanalyze; just do it." While that recommendation applies to LPM, pricing, and AFAs, it certainly could be offered in other contexts in the law firm environment, where cautious attorneys are often reluctant to pull the trigger. The ninth point is "Don't be a penny wise and a pound foolish." And then Hassett writes, "As the owner of a firm that provides consulting to

law firms, I can hardly claim to be an unbiased observer on the matter of law firm spending. But some of the decisions you make in this area may affect the very survival of your firm. Therefore, prudent firms will recognize the need to invest in this area." This type of candor is exemplified throughout the book.

Then there's number 10: "Act like an entrepreneur, not like a lawyer." That's not easy for attorneys to do but over the last several years we've seen more and more

managing partners and chairs of firms thinking and acting like creative business people in their management and operations. And that's led to a lot of success.

But I've got one more recommendation, call it number 11: Read Legal Project Management, Pricing and Alternative Fee Arrangements: What Firms Are Doing. Hassett knows his stuff and he knows how to write.

-Steven T. Taylor



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