



From Disruption to Reinvention: *What Lawyers Can Learn From Management Consultants*

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Founder and Managing Director

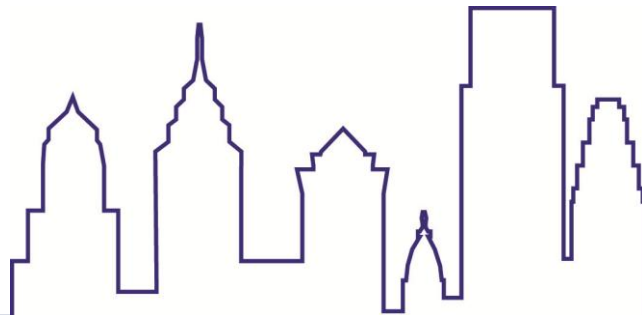
Strategic Impact Partners
Own The Future

July 18, 2016 | SugarHouse Casino

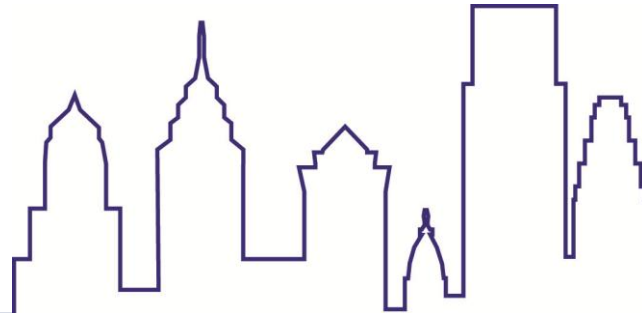
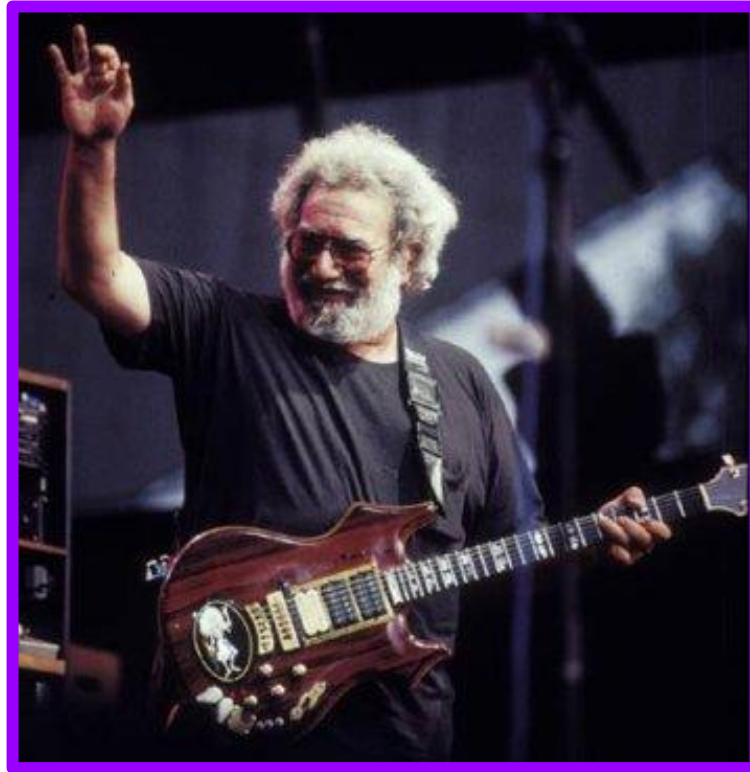
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Learning Outcomes

1. How management consultancies have used necessary transformation as opportunity
2. Winning management consultancy approaches that are appropriate for law firms
3. Creative approaches to enhancing competitiveness and strategic positioning
4. How to improve the people-infrastructure-process aspects of go-to-market programs



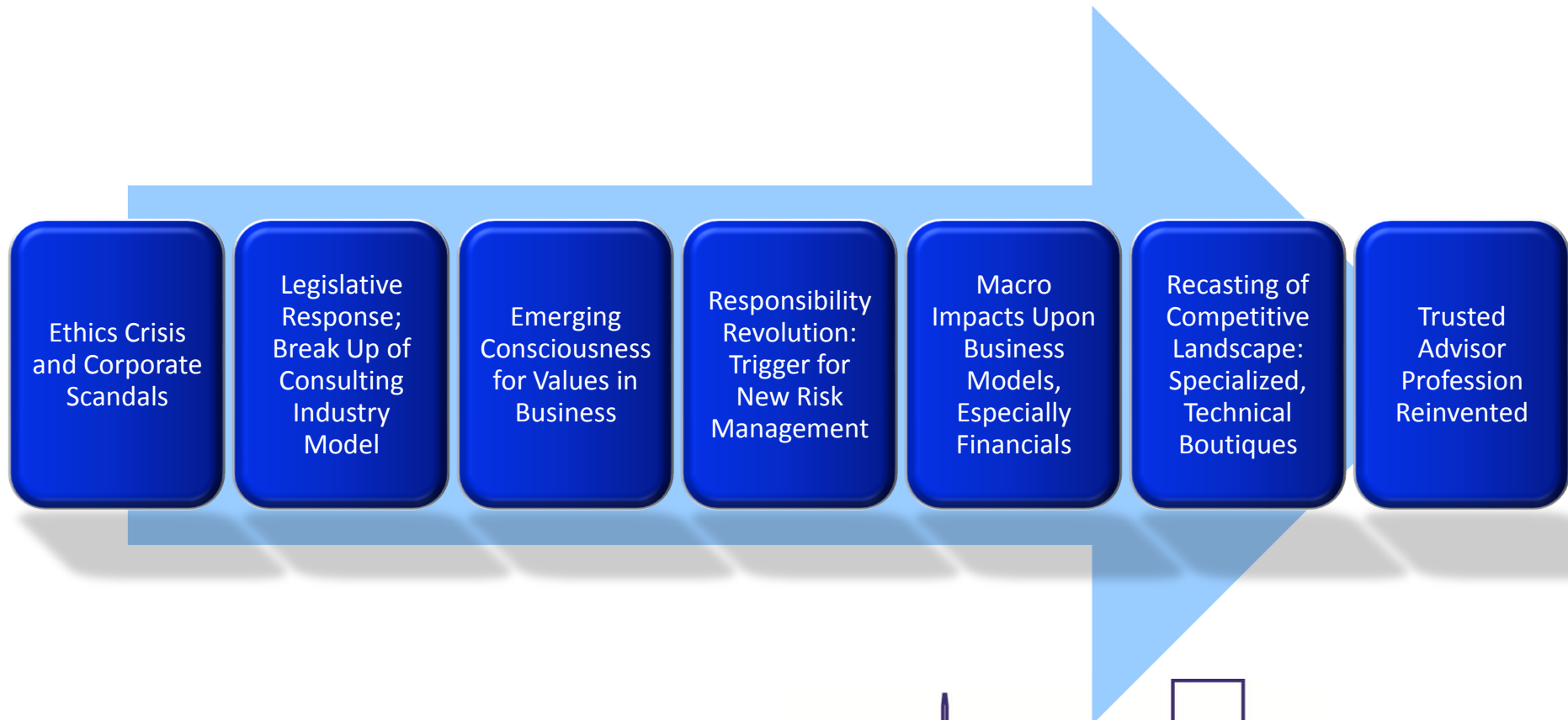
Jerry was right:
"What a long strange trip it has been"



A Macro Shift



A rough road: Disruption to Reinvention



Tom Clay
Consultant
Altman Weil

- *"We're looking at a potential reformation here... managing partners have to have the courage to change their firms."*

Ellen Dwyer
Managing Partner
Crowell & Moring

- *"The economy is squeezing law firms through a sort of wine press right now, and when they emerge they will operate quite differently."*

Abe Reich
Co-Chairman
Fox Rothschild

- *"... you're going to be seeing more law firms exploring non-legal services."*

Carl Singley,
Former Temple Law School Dean
Former Counsel, WolfBlock

- *"There's going to be an increasing development of the so-called specialized boutiques, and clients will go to those people. "*

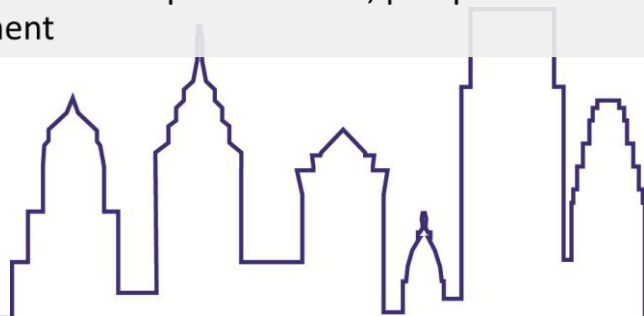
Andrew Kassner
Executive Partner
Drinker Biddle & Reath

- *"Clients are going to demand value, responsiveness and effective communication from their lawyers whether they're large or small."*



Re-Oriented Strategic Priorities

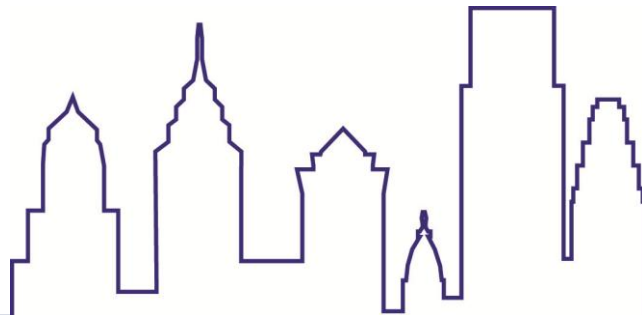
Enterprise Sustainability	• the viability, continuity, and longevity of the enterprise
Innovation	• perpetual product and service improvement in fulfillment of client aspirations
Brand and Reputation Equity	• building resiliency, agility, and a perception of value premised upon standards for consistent behavior
Stakeholder Wellbeing	• configuring a client-centric trusted advisory organization
Governance and Management	• ethics, accountability, transparency, competence, technology implementations (automation)
Human Capital	• training and education, diversity
Asset Utilization	• intellectual property, knowledge management, strategic partnerships
Leadership and Culture	• conscious leadership and culture; prospect and client enablement



Business value is being redefined

The Historic, Old Guard Protectionist Model

- ▶ **Share Price, Multiples, Equity Ratios**
 - P&L Management Techniques
 - M&A vs. Organic Growth
 - Market Domination (Divide and Conquer)
- ▶ **Linear Product Push-Pull Strategy**
 - Traditional R&D Approach
- ▶ **Authoritarian/Top-Down Governance** (Inside-Out Orientation)
 - No Disclosure of Non-Essential Information (Hording of Intelligence)
 - Trust Presumed and Mandated
 - Privileged Prerogatives
 - Cultural Reinforcement of Old Boys Club
 - Incestuous Board Dynamic
- ▶ **Employees for Life** (At a Price)



The Next Generation, Self-Actualizing Model

► **Traditional Financial Models and Priorities Re-Calibrated to Accommodate:**

- Accountability and Transparency (i.e., Sarbanes Oxley; Dodd Frank; GRI)
- Reputation Equity
- Brand Integrity (Walk-Talk Behavior)
- Next-Generation Diversity of Consciousness (Human Capital Practices)
- Shattering of Glass Ceiling (Decay of Old Clubs and Social Privileges)
- Employee Tours of Duty

► **Self-Governing or Horizontal Management Models (Strategic Clusters vs. Business Units; Outsider-In Orientation)**

- Ethical Management Policies and Aligned Behaviors (Risk Management)
- Trust Earned by Consent
- Leadership Competency and Integrity



The Next Generation, Self-Actualizing Model

► Knowledge Management

- Collaborative Innovation (Technology Transfer; Crowd Sourcing; Shared Value; Cross-Industry/Cross-Competitor Alliances)

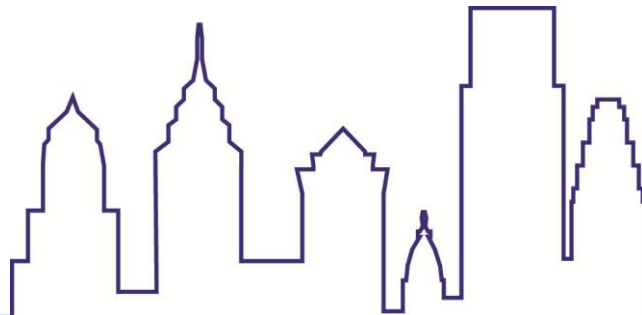
► Stakeholder Throughput

- Community of Stakeholders vs. Portfolio of Shareholders

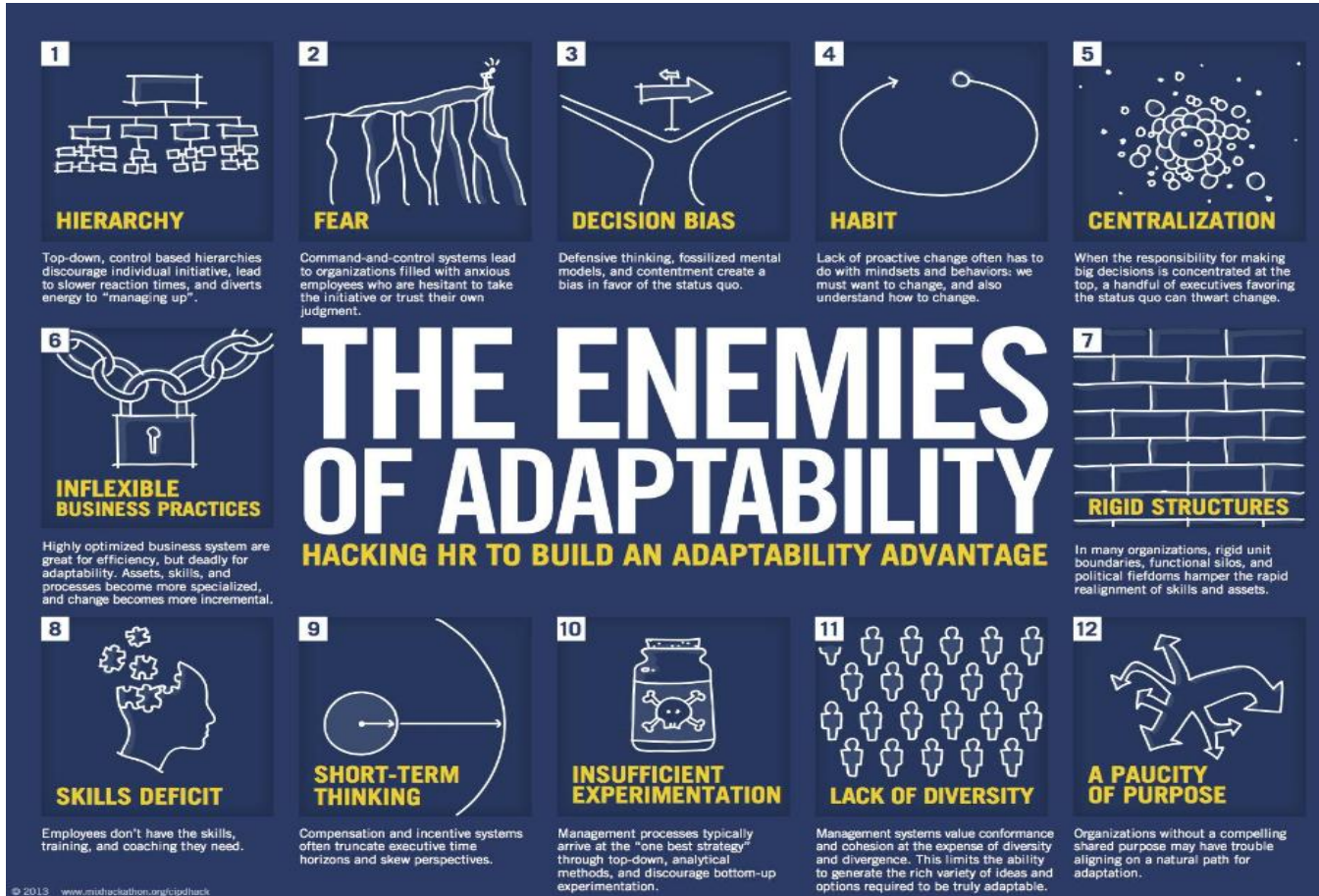
► Independently Empowered Boards

► “Operationalizing” of Values and Beliefs

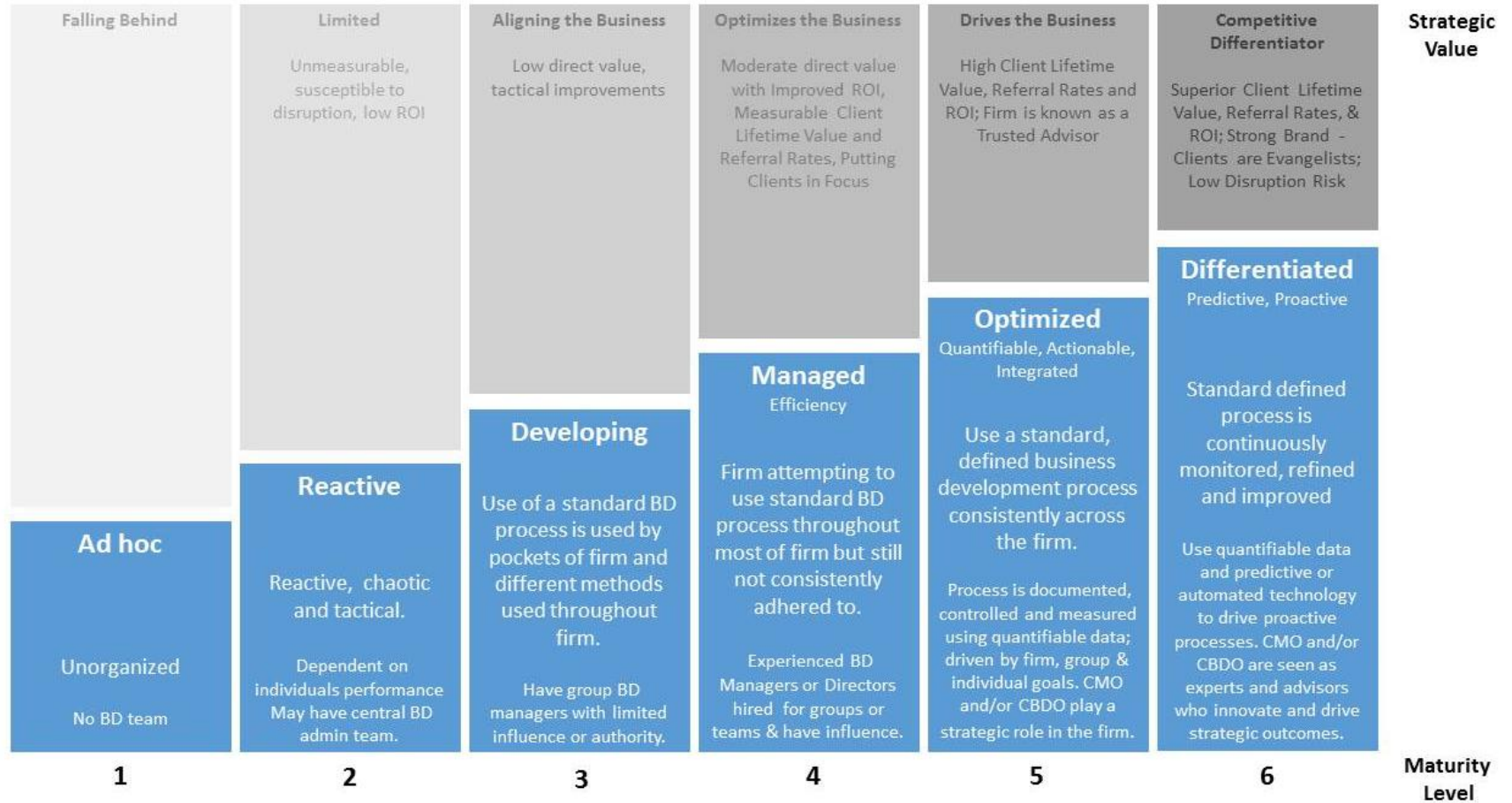
- CSR (Mandated and Voluntary)
- Corporate Agenda Aligned with Public Policy/Interests
- Public Leadership and Corporate Citizenship vs. Private Enterprise



Making Reinvention Happen



Growth Strategy Maturity Model



Management Consultancy Case Study: *Supply Chain IP Productization*

Cost of Status Quo



Traditional “shopping” of suppliers in existing base results in limited year-to-year savings, hidden risks, and complexity

Existing suppliers conditioned to transactional relationships – less incentive for innovation; feel entitled as customers are “captive”

Inability to effectively address sustainability and other social responsibility requirements as part of normal course of business

Urgent business needs/firefighting negates ultimate value capture and focus on continuous improvement

Suppliers that could generate real value direct their innovations at other customers who share the same priorities

“Captive” customers not receiving innovation and value generation from minimalist (non-partner) supplier relationships

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TVO: A New Context for Strategic Procurement

Sharper Focus...

...on impact and risks outside of the traditional cost containment and improvement efforts

Greater Awareness...

...of stakeholder attention on Sustainability and other responsible business practices

Better Clarity Amidst Complexity...

...bringing greater opportunity in a globalized economy

Enhanced Visibility...

...across the supply chain and value stream, making awareness a tool for achieving better results

Transparency...

...clearing a path for supplier innovation and resourcefulness, engendering collaboration with sourcing clients and benefitting the end customer

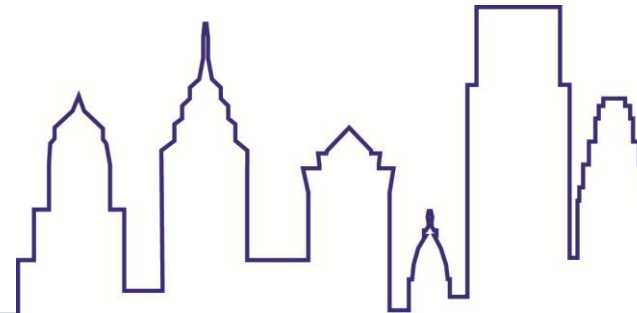


Management Consultancy Case Study: *Supply Chain IP Productization*

Procurement and Supply Chain Professionals Next Generation Orchestrators of Value Creation




	Drive/Facilitate Collaboration and Alignment	... of internal business units' supply chain needs ... with supplier community
	Actively Manage	... delivery of total quality standards ... development and operations of supply network
	Access and Leverage	... supplier resources across the supplier base ... most innovative internal stakeholders
	Identify and Align	... supplier resources with internal enterprise needs
	Leverage Knowledge	... of existing supply chain strengths and weaknesses ... of enterprise needs and opportunities in supply network
	Actively Communicate and Implement	... standards of expectation to the supplier community ... optimal value proposition for the enterprise

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Evolution of Strategic Supply Chain Management

	Success measures	Communication	Supply base	Accountability	Reactive vs. proactive	Relationships
Next Generation: Total Value Optimization						
	Balanced view; focused on value created, company-wide metrics, risk, revenue, strong innovation, sustainability 18-25% Improvement	More integrated among multiple internal-external stakeholders	Optimized to strategically aligned suppliers that deliver best value	Cross-functional teams with commercial representation manage relationships and outputs	Strategic planning and execution to drive cost/value relationship	Cross-value chain relationships evolve to ongoing innovation, risk mitigation, sustainability, and revenue implications
Second Generation: Total Cost of Ownership						
	Cost oriented view; focused on price, quality, durability, market savings, total cost savings 8-12% Improvement	Based on reduction of raw materials, logistics, and production costs	Built on optimal value stream providers that meet specification	Supply chain manages relationships and outputs	Proactive analysis of value stream options	Cross-functional relationships oriented to year-on-year or contract cycle and cost management
First Generation: Price-Based						
	Price focused view; reduction in purchase price is paramount 2-4% Improvement	Minimal supplier interaction beyond pricing and specification	Supply base built on ability to meet specifications and provide lowest price	Procurement manages relationships and outputs	Reactive to internal requirements	Transaction-based relationships

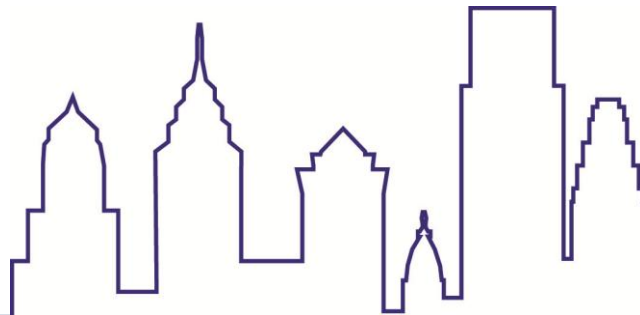
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Thought Leadership Program



Groups Ideation Exercise

Please Refer to Your Handouts



Thank You!
Good luck - and take the plunge!



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