# THE LAW FIRM OF THE FUTURE

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#### AGENDA

- A lesson from Google
- The change imperative
- Forces driving change
- Exploring business models



#### WHAT CAN WE LEARN FROM GOOGLE?

"a shared belief held by members of a team that the team is safe for interpersonal risk taking"

Seeking feedback or information
Asking for help
Talking about errors
Experimenting

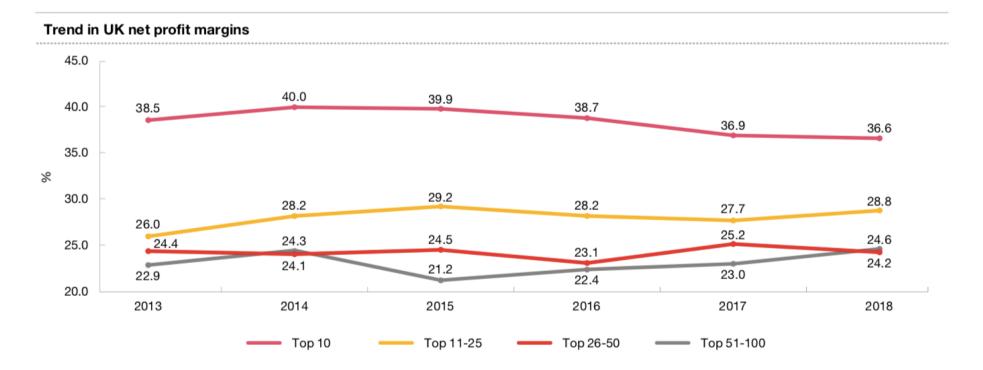
# Why does it matter?

Psychological 

Learning 
Improved 
performance



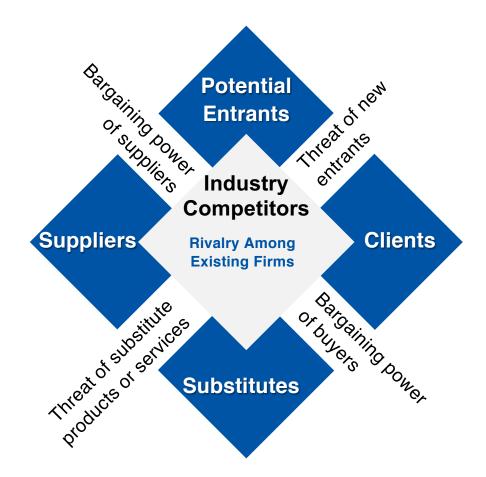
#### **DO LAW FIRMS NEED TO CHANGE?**



PwC Law Firm survey 2018



#### WHAT ARE THE FORCES DRIVING CHANGE?

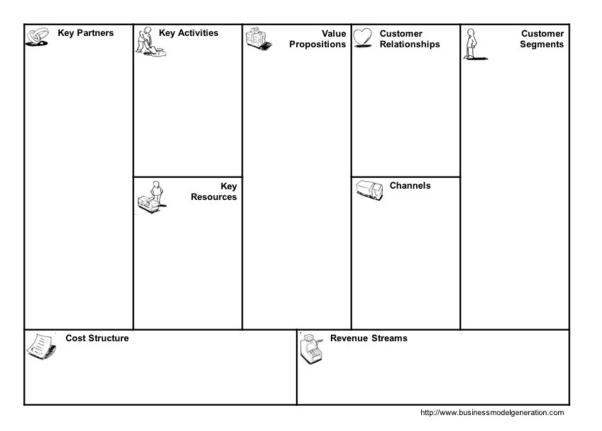




# **EXAMINING BUSINESS MODELS**

#### **Business model basics**

- What is a business model?
- Introducing the BMC



#### Uses

- Designing a new business
- Assessing an existing business model
- Evaluating a competitor
- Seeking inspiration outside the industry

#### Tips

- Client first (always) continually come back to this principle
- Where's the secret sauce?
- Iterate dynamically if one component changes, what is the impact on the others?



## ANATOMY OF THE BUSINESS MODEL CANVAS



Osterwalder & Pigneur, 2010





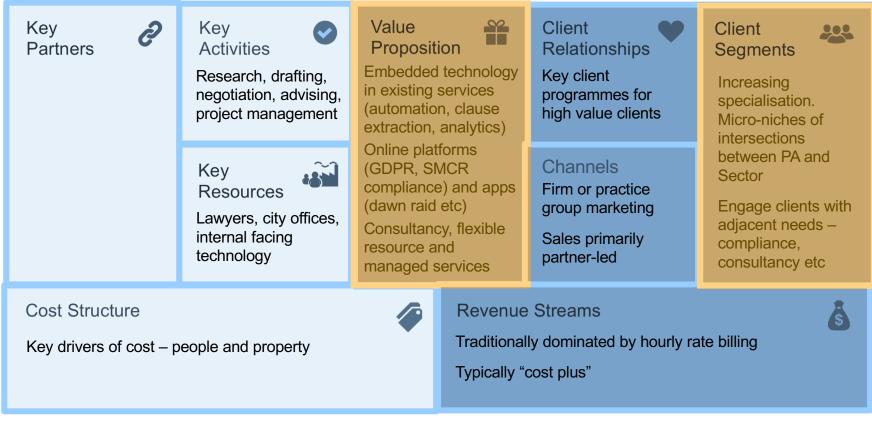
Osterwalder & Pigneur, 2010



Key Partners	Key Activities Research, drafting, negotiation, advising, project management	Value PropositionImage: CompositionPredominantly bespoke legal services (advice, transactions, litigation).Some more standardised offeringsTypically developed on a PA basis		Client Relationships Key client programmes for high value clients	Client Segments
	Key Resources Lawyers, city offices, internal facing technology			Channels Firm or practice group marketing Sales primarily partner-led	between PA and Sector Engage clients with adjacent needs – compliance, consultancy etc
Cost Structure  Key drivers of cost – people and property				e Streams ly dominated by hourly ra cost plus"	ate billing

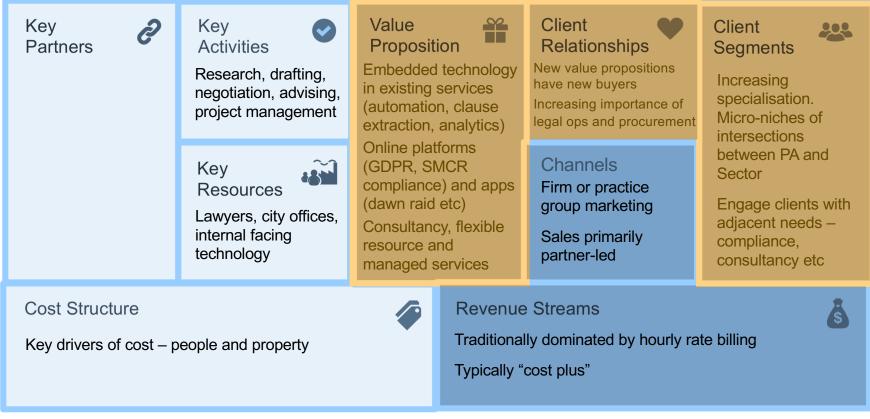
Osterwalder & Pigneur, 2010





Osterwalder & Pigneur, 2010





Osterwalder & Pigneur, 2010



Key PartnersKey ActivitiesResearch, drafting, negotiation, advising, project management		in existing (automatic extraction	d technology services on, clause , analytics)	Client Relationships New value propositions have new buyers Increasing importance of legal ops and procurement	Client Segments Increasing specialisation. Micro-niches of intersections between PA and Sector Engage clients with adjacent needs – compliance, consultancy etc
	Resources Lawyers, city offices, internal facing technology		PR, SMCR ppliance) and apps wn raid etc) sultancy, flexible	Channels Technology partnerships App stores Channel partners?	
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Osterwalder & Pigneur, 2010



Key Partners	Key Activities Research, drafting, negotiation, advising, project management	in existing (automation) extraction,	l technology services n, clause analytics)	Client Relationships New value propositions have new buyers Increasing importance of legal ops and procurement	Client Segments
Key Resources Lawyers, city offic internal facing technology		Online platforms (GDPR, SMCR compliance) and apps (dawn raid etc) Consultancy, flexible resource and managed services		Channels Technology partnerships App stores Channel partners?	between PA and Sector Engage clients with adjacent needs – compliance, consultancy etc
Cost Structure  Key drivers of cost – people and property			Transition capped, v	e Streams to alternative fee arrange alue based, risk sharing sed pricing for technology	

Osterwalder & Pigneur, 2010



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	KeyImage: ConsultanceResourcesConsultanceProject and process managers, innovation experts, developers, data scientistsConsultancemanagedmanaged		VICR e) and apps etc) cy, flexible nd	Channels Technology partnerships App stores Channel partners?	between PA and Sector Engage clients with adjacent needs – compliance, consultancy etc
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Osterwalder & Pigneur, 2010



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Osterwalder & Pigneur, 2010



Key Partners Technology vendors and development teams	Key Activities Service design, change management, collaboration	Value PropositionEmbedded technology in existing services (automation, clause extraction, analytics)Online platforms (GDPR, SMCR compliance) and apps (dawn raid etc)Consultancy, flexible resource and managed services		Client Relationships New value propositions have new buyers Increasing importance of legal ops and procurement	Client Segments Construction Increasing specialisation. Micro-niches of intersections between PA and Sector Engage clients with adjacent needs – compliance, consultancy etc
Lower cost legal services providers (law firms, LPOs)	Key Resources Project and process managers, developers, data scientists. Delivery centres			Channels Technology partnerships App stores Channel partners?	
Cost Structure Free Cost Structure Cost Structure Cost And Property		Transition capped, v	e Streams to alternative fee arrange alue based, risk sharing sed pricing for technology		

Osterwalder & Pigneur, 2010



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Cost Structure Growing cost of high quality non-legal staff alongside continually rising lawyer salaries Tight management of the equity to preserve profitability		Revenue Streams Transition to alternative fee arrangements: fixed, capped, value based, risk sharing Usage-based pricing for technology services emerging			
Osterwalder & Pigneur, 2010					



#### Where next?



2014







# **DESIGN THE FIRM OF THE FUTURE**

- You are the management team of a new market entrant that has raised \$1bn to disrupt the legal services market over the next five years
- Using the BMC complete the client segment, value proposition and key resources sections to determine the key elements of your firm of the future
- Your investors expect the business to have revenues of \$250m within five years.
- You have 20 minutes to prepare a three minute summary for the group!



#### THE FIRM OF THE FUTURE – QUESTIONS TO CONSIDER

#### Key resources

What assets will you need to deliver those value propositions?

Think about physical, intellectual, human and financial capital

#### Value propositions

What needs do the clients in those segments have?

How will your products and services create value for the clients?

How will your products and services be different from the competition?

Any switching costs (existing or new)?

#### **Client segments**

Where's the money?

Current size v future growth?

Synergies across segments

Level of current competition

20

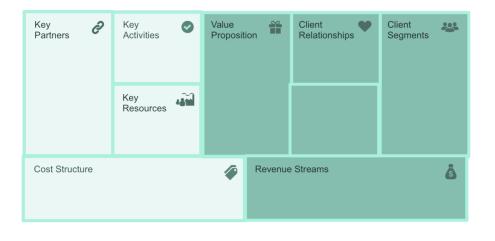
Barriers to entry

Untapped markets



**Executive**Education

Complete the client segment, value proposition and key resources sections to determine the key elements of your firm of the future



# **Questions?**

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#### **Executive**Education

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