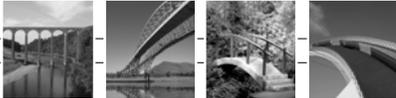




## Lessons Learned From the Economic Downturn

Diane M. Costigan  
Timm Whitney  
Marcia Pennington Shannon



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## Agenda

- Quick review of 2009
- Group discussions—lessons learned
- Current state of play
- Best practices
- Group discussions—what's next
- Change agent challenges
- Q & A and wrap up

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## Recap

- Delayed start dates for 1st years
- Delayed fall recruiting
- Cancelled summer programs
- Move to merit-based pay
- Reduced/frozen associate salaries
- Payoffs
- Indefinite deferrals

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## Challenges

- Financial/Budgetary
- Increased need for training
- Decreased attendance/participation/support
- Compression of classes
- Mentoring challenges
- Less support for development
- Perception by partners regarding spending priorities
- More responsibility/less staff

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## Let's Hear From You

- Table Discussions
  - What was your firm's biggest lesson learned?
  - Your department's?
  - Your own?

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## Beyond 2009...



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## 18 Months & Counting

- Don't raise your rates 75% at a time when your clients are cutting operating costs.
- "No other company would treat it's most important commodity poorly enough to cause a turn over rate of 85% for 1<sup>st</sup> year lawyers who are gone by the 6<sup>th</sup> year."
  - Marketing Partner Forum (paraphrased)
  - Virtual Marketing Officer Blog

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## Biggest Lessons Learned

- Clients are unhappy
- The current system is broken
- Emphasis needs to be on talent efficiency
- Firms need to run themselves more like businesses

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## ACC Value Challenge

- "Re"connecting value to cost of legal service.
  - "Re"establishing trust
  - Efficiency
  - More cost effective junior lawyers
  - Cost management
  - Institutionalize
  - Evaluate
  - Continuous improvement

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### ACC Value Index

- Understands objectives/Expectation
- Efficiency/Process Management
- Predictable costs/Budgeting skills
- Legal Expertise
- Responsiveness/communication
- Results driven/Execution

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### The New Normal

- Better is better >> alternate staffing
  - Prices go down >> predictable pricing
  - We measure everything >> defined quality
  - Protect the company >> client intimacy
  - How can we do it better >> technology
  - One step ahead >> process innovation
- Paul Lippe-founder Legal OnRamp

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### Implications of the New Normal: Greater Focus On...

- Strategic management of talent
- "Business" skills for lawyers
  - Leadership
  - Project Management
  - Teamwork & Collaboration
  - Business Development
  - Effective Communication
  - Personal Effectiveness

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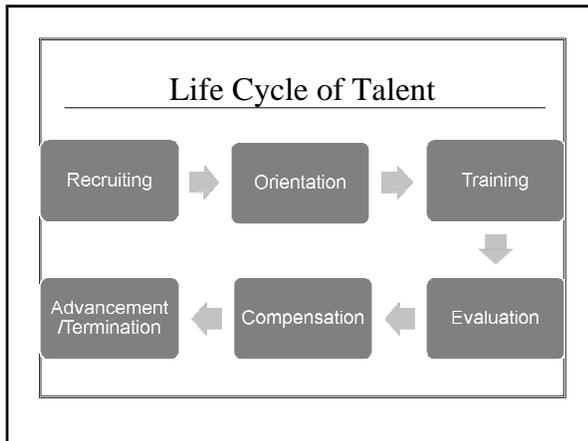
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- ### Putting the “Management” in Talent Management
- Linked to Firm's vision/strategy
  - Clarity
    - Who?
    - What ?
    - When?
    - Where?
    - How?
    - Why?

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- ### Best Practices
- Experiential learning
  - Focus on behavioral as well as technical skills
  - Internal faculty
  - Increased use of Individual Development Plans (IDPs)
  - Support department restructuring
  - Cross-functional collaboration

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## Best Practices

- Competencies & benchmarks
- Expanded/enhanced mentoring programs
- Externships/secondments to clients
- Increased shadowing hours
- Increased use of pro bono for training purposes
- Tapping into alumni for mentoring/training

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## Expanded Training for First Years

- Lower billable hours expectations
- Enhanced curriculum
  - Core
  - Practice Specific
  - Behavioral & technical
- Action/experiential learning
- Coaching/feedback
- Individual Development Plans/Action Plans

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## Positive Trends in Mentoring

- Link to competencies
- Participation in evaluation process
- Individual development plans guide the mentoring relationship
- Rewarding partners for mentoring time
- Mentoring circles
- Coaching high potential performers

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### The Question You've Waited Your Whole Career to Hear...

- "The Executive Committee values the skill & insight you bring to this firm. In recognition of your contribution, we would like you to suggest one change we could make that we promise to implement (without push backs or excessive questioning). We know we have pooh-poohed most if not all of your previous ideas but we are really serious this time. Really. No joke. We mean it."

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### Group Discussion Topics

- Recruiting
- Orientation/On-boarding
- Evaluations
- Compensation
- Training & Development
- Advancement
- Career Management
- Retention & Morale
- Cost efficiency
- Diversity

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### Challenges

- How can you implement some of these best practices?

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Questions????

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