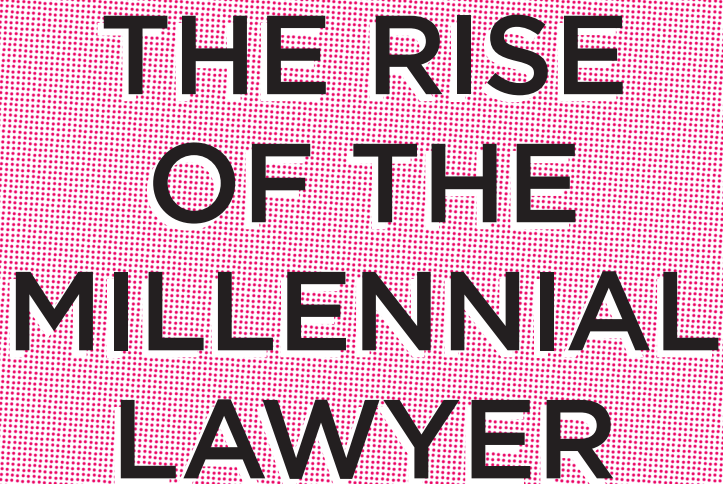


The logo consists of the letters 'L', 'O', and 'D' in a bold, sans-serif font, with a small circle inside the 'O'.

LOD

The text 'lawyers on demand' is written in a smaller, lowercase, sans-serif font, stacked vertically.

lawyers
on
demand

The title 'THE RISE OF THE MILLENNIAL LAWYER' is centered in a large, bold, black, sans-serif font.

THE RISE OF THE MILLENNIAL LAWYER

A white rectangular box with a thin black border containing the text '14 WAYS A GENERATION IS CHANGING THE RULES'.

14 WAYS A GENERATION
IS CHANGING THE RULES

A white rectangular box with a thin black border containing the text 'BY JORDAN FURLONG'.

BY JORDAN FURLONG

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Foreword: Tales for an accelerated legal market

I was a law student when Douglas Coupland's Generation X was published. Its title would become a term that defined the generation that I'm part of - a child of the 70s, stuck between the Baby Boomers and the Millennials.

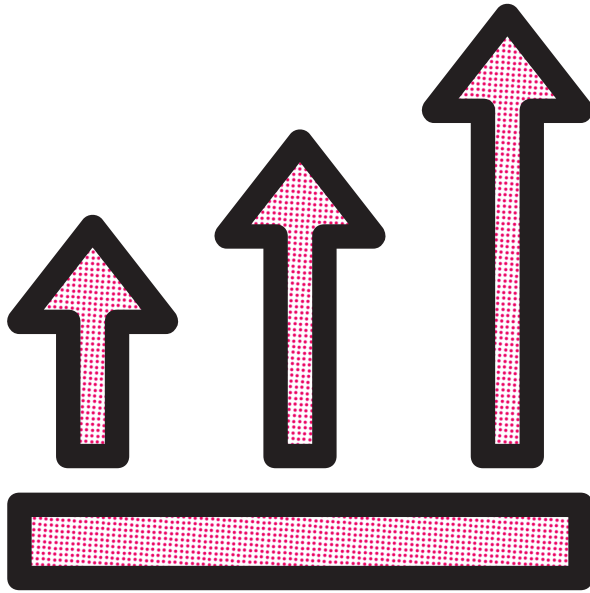
The subtitle of Coupland's book made us Generation Xers feel good: "Tales for an Accelerated Culture" - wow, the world was moving fast. But in the legal sector, not so much. As a young lawyer, things looked remarkably similar to how they'd been for the previous fifty years.

Fast forward to 2017 and it's the Millennials (or "Generation Y") who are our emerging law firm partners and GCs. This is a generation that's already showing itself as the real accelerator of change. Not just as lawyers wanting to work differently but crucially as clients too, buying differently. Attitudes that are bringing a new era to the legal market.

One of the first people to observe the new legal landscape with clarity was Jordan Furlong. He has followed the upheaval in our profession over the last decade and now we've asked him to share his view on the Millennial legal market. As ever, he's done so with clarity, thoughtfulness and characteristic good humour.

Reading this report and leafing through my 1991 copy of Generation X, I feel part of a transitional era - like CDs being a stop-gap on the way to digital streaming. It's the Millennials who are really driving the changes from here. We hope our report offers a roadmap for that new world - let us know what you think.

Simon Harper
Co-Founder
LOD



“IT’S THE MILLENNIALS WHO
ARE REALLY DRIVING THE
CHANGES FROM HERE.”

Introduction

The first Baby Boomer was born in 1946. The last Millennial was born in 2000. During the half-century in between, the legal profession transformed from a small, traditional craftsman's guild to a global, dynamic, industrial sector — and the Boomer generation was the driving force.

Over the first half of the 21st century, Millennials will replace Boomers as the dominant demographic group throughout society, and the law will be no exception. New law firms, emerging alternative suppliers, and clients themselves will join lawyers in rewriting the rules of legal commerce.

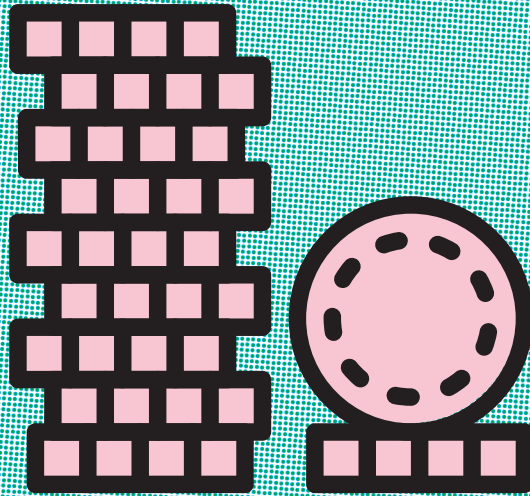
Almost everyone involved in the legal sector today has grown up and worked in a Boomer market, with a constant drive to grow larger, more global, and more lucrative. Countless hours at the office, evenings and weekends billed in six-minute increments, clawing your way to the top of the pyramid — this was the way to and the price of success in law firms. Only those firms' lawyers can judge whether, in hindsight, the price was fair. Only its clients can decide whether they reaped sufficient benefits themselves.

This report peers into the near future and asks: what will the Millennial legal market look like? The oldest Millennials are already partners in law firms and counsel in legal departments — or, as often as not, they're already established flex-time project lawyers or legal technology start-up founders. They are a cohort that talks about “work-life balance” without air quotes and views a career as a means to an end rather than an end in itself.

It is extremely unlikely that Millennial lawyers will be content to inherit rigid hierarchies, hourly billing, manual paperwork, and other features of their parents' law firms and simply carry on as before. It is equally improbable that Millennial clients will continue to dutifully send volumes of straightforward tasks to outside counsel and pay the resulting bloated invoices without complaint. That era has passed. A new one is arriving.

Right now, in the late 2010s, we are standing directly on the fulcrum between two eras of law, at a key transition point in the evolution of the legal services market. That market is changing from a dormant, low-tech, individualistic system to a dynamic, high-tech, collaborative one. It's shifting from a Boomer world to a Millennial one. What will that mean for the legal market's participants? Let's find out.

PART 1:



THE MILLENNIAL CLIENT

GCs:

What to demand from your Millennial legal suppliers

It probably goes without saying that the old Boomer law firm, content to raise rates every year, bill all its work by the same hourly rate, and reinvent the wheel on a daily basis, won't stand a chance against your client demands. But Boomer law firms won't be the ones meeting your challenge. Millennial law firms will, and that's good news for you both.

Partly in response to market pressures, but also in fulfillment of their own generational tendencies, Millennial lawyers are going to rewrite the DNA of law firms. Value assessed solely on the basis of hours billed and clients landed? Straight white males as the default leadership profile? We don't think so.

The Millennial law firm ought to be a significant upgrade for you over its Boomer predecessor, much more in tune with your priorities. Here are seven features of Millennial law firms that clients should expect to see reflected in, embodied through, and delivered by their law firm vendors.



“...MILLENNIAL LAWYERS ARE
GOING TO REWRITE THE DNA
OF LAW FIRMS.”

1 Disaggregated

Millennials are wireless, mobile, and peripatetic; their law firms accordingly should be fragmented, flexible, and collaborative. Partner and associate designations will fade away as lawyers form project teams both inside and outside the firm and across generations. Outsourcing and remote work will be commonplace. Alignment of skill with task will determine who (or what) is assigned to client files. This should deliver both cost savings and more specialised performers to you, the client.

Expect them to: Form partnerships with LPOs and managed legal services providers to access “just in time” legal capacity.

Ensure they say: “We assign the correct resource for every task, to ensure maximum value for you.”

2 Diverse

It will take time for law firms to shed their immense socio-economic, physical-capacity, and racial and gender privilege. But Millennial lawyers take diversity issues seriously — and more importantly, so do you, the client. As hours count for less in billing and compensation, structural barriers against women’s advancement especially, will start to fall. Firm demographics will come to more closely reflect their cities and communities. It won’t happen fast, but it almost certainly will happen.

Expect them to: Set targets for gender and racial representation, especially in leadership positions; recruit and retain accordingly.

Ensure they say: “We accept diversity as a social good, just as you do, and our professional ranks reflect that.”

3 Multi-disciplinary

You already understand that lawyers alone aren't enough to solve the thorniest business issues. Millennial law firms will get that too. They'll feature a wide array of expertise provided by a range of professionals and technicians. Accountants, programmers, data scientists, systems analysts, and legal operations personnel will join lawyers, first as fellow employees and eventually as part-owners.

Expect them to: MDP, ABS, pick your acronym: 'non-lawyers' will not just own equity, they'll also be indispensable providers of value to you.

Ensure they say: "Your problems aren't merely legal, so our solutions can't be either."

4 Predictably priced

Millennials' inherent aversion to time-based anything will accelerate the drive towards reliable pricing of their legal services. Flat-fee and subscription-style pricing arrangements will flourish. Internal data will be mined to determine and improve the costs and profitability of common tasks. The billable hour will survive, but as an exception rather than the rule. What more could you ask? More fixed-fee offerings every year, you say? You'll get that, too.

Expect them to: Invest in business intelligence and data analytics. Redefine productivity away from input (hours) towards output (client deliverables).

Ensure they say: "We'll give you a reliable price at the start of our retainer. If and when something changes, we'll deal with it together."

5 Responsive

Millennial lawyers have had to scramble for work opportunities wherever they arose, from retail sales to coffee shops, so they understand as well as you do the importance of customer service. Their law firms will monitor, assess, and respond to your level of satisfaction (or the lack thereof). They will ask you what you want — and, remarkably enough, they will also listen and act on what you tell them. “Business acumen” will no longer drive a wedge between you and your outside counsel.

Expect them to: Tie compensation in part to results achieved and client satisfaction. Institute client service protocols, enforceable at bonus time.

Ensure they say: “We know how important this matter is to you and it’s equally important to us.”

6 Technology-enabled

For the most part, the totally tech-savvy Millennial is a myth. However, this new generation is not remotely as technophobic as Boomer lawyers were, and they won’t fear technology’s tendency to reduce hours. Software will do the jobs in law firms for which it’s capable, a category that will grow over time. Client-facing tech, distilling and packaging the firm’s expertise, will become a growing source of firm revenue, but they won’t be interested in tech for tech’s sake. In time, they might even be able to help you upgrade your department’s own tech capabilities.

Expect them to: Automate or augment routine and repeatable elements of client tasks. Invest a percentage of every year’s profits in next year’s R&D.

Ensure they say: “We use the best tools to get your work done efficiently.”



“THEY WON'T FEAR
TECHNOLOGY'S TENDENCY
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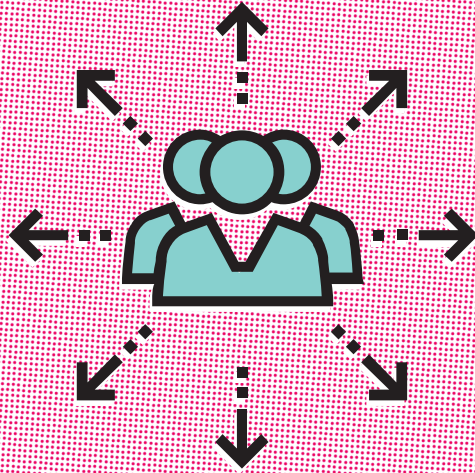
7 Value-based

The best interests of the client, not the financial interests of the firm's equity owners, will become the paramount consideration of Millennial law firms. Intake and initial retainer conversations will identify client goals and define value provision, to be measured later against results. Compensation and cultural incentives will incentivise value provision. Workflow enhancements will amplify effectiveness, growing value further. It might take you some time to get used to these features in your law firms. But once you do, you'll never go back.

Expect them to: Minimise "hours billed" in compensation. Monitor client satisfaction throughout the retainer. Price to the outcome, not the effort.

Ensure they say: "We want to work with you to achieve your goals by resolving your legal business challenges."

PART 2:



THE MILLENNIAL LAW FIRM

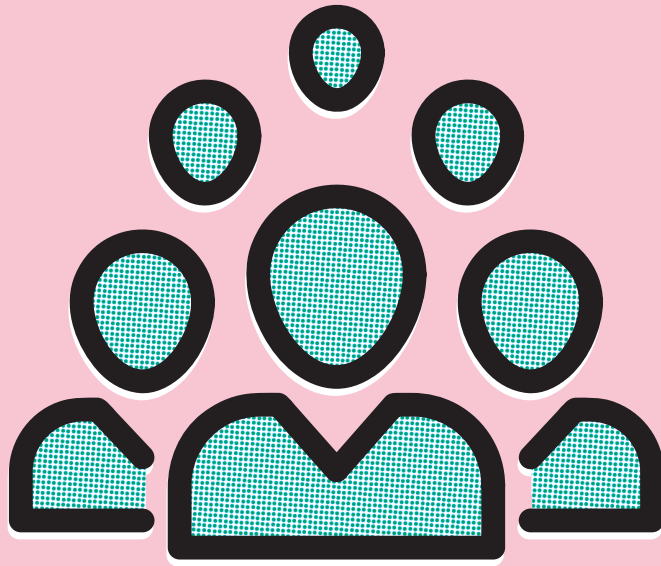
Law firms:

How to step-up to meet Millennial client expectations

Law is becoming a buyer's market, a power shift that will continue for the foreseeable future. Clients' influence and confidence have both been rising steadily in recent years; now, clients will exercise their newfound power by becoming more assertive, sophisticated, and demanding buyers than in the past.

The buyers of legal services are aging and transitioning into new stages of life as surely as are the sellers of these services. Veteran general counsel are entering retirement and handing the reins of power to a younger generation. As Millennial clients enter the market to procure services and solutions to help them address their challenges, they will do so in a manner distinct in key respects from the Boomers and Generation-Xers who preceded them.

If you plan to offer legal services in the coming years and decades, you'll need to be ready for a radically different client population. Here are seven features of the Millennial client that will dictate the terms and the tempo of the future law firm.



“...YOU’LL NEED TO BE READY
FOR A RADICALLY DIFFERENT
CLIENT POPULATION.”

1 Affordability

Like their generational counterparts in law firms, Millennial clients came of age during the worst economic crisis in nearly a century. They will seek ‘good enough’ Point-A-to-Point-B products and services for all but the most specialised, high-stakes matters. They will be stringent judges of value for money and they will not tolerate expensive inefficiency. “More for less” will be an ongoing reality for them — and therefore, also for their outside counsel.

What they’ll do: Haggle if they want to work with you. Walk away if they don’t.

What they’ll say: “I expect you can do better than that rate. Come back tomorrow with your best offer.”

2 Choice

This generation has never known any market in which there is only one type of product or supplier. They walk shopping aisles with dozens of brands, watch TVs with hundreds of channels, and surf an internet with millions of pages. They instinctively understand different market segments and which ones they inhabit. They will regard lawyers as neither the only nor the default option for legal services and won’t be shy in asking why you’re the best option. They will use the most appropriate legal supplier for what they need — end of story.

What they’ll do: Show no favouritism to law firms; select from a diverse menu of suppliers.

What they’ll say: “Please explain how you are a better option for us than these alternatives.”

3 Comparison

Millennial clients' buying habits have been shaped by Amazon, so they will expect to access a complete list of features, similar products, and online reviews for legal services. They will want to know not just the fixed price of a firm's services, but also how that price compares with others. They will routinely ask their peers how you stack up against the competition. They will use billing data to compare how a lawyer's hourly rate compares with the industry standard. All this information will drive their buying decisions.

What they'll do: Seek out online reviews and assessments of lawyers' performances.

What they'll say: "Your hourly rate is 23% above median. What value do you provide to justify that premium?"

4 Convenience

This is the one-click generation, shopping online all hours of the day and taking free shipping for granted. They bank on Saturdays, shop on Sundays, and build idiosyncratic schedules to suit their own interests. They will view law offices open only from 9:00 to 5:00, and law firm websites that serve merely as online brochures, as relics of a bygone age. They will buy legal services on their time, not yours. Get used to returning calls faster than your predecessors did.

What they'll do: Default to legal providers that are available 24/7 or that respond to enquiries with dispatch.

What they'll say: "Where on your website can I log in to access my files and check my current account balance?"

5 Customisation

Members of this cohort expect to be treated personally by service providers, and to have their buying experiences shaped by their established interests and preferences. They will value services that feel as if they could have been created and delivered for no one but them. They will seek bespoke experiences for commoditised services — the direct opposite of what law firms have traditionally provided. How do your services for this client differ from similar services provided to another? You had better have a good answer.

What they'll do: Consent to releasing personal information to law firms — so long as they receive tailored service in return.

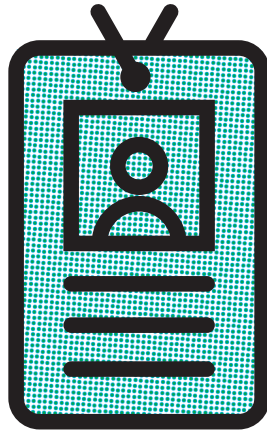
What they'll say: “If you give me generic advice, then I shall pay you generic rates.”

6 Internal Clients

Millennials are team players, far more so than were their Generation-X and Baby Boomer forebears. Millennial clients therefore will demand legal services that encompass the needs and priorities of the entire business. Advice that doesn't understand and help the whole business will be downgraded. Firms that don't appreciate the client's big-picture strategic goals will be dropped from panels forthwith.

What they'll do: Require real-world, business-savvy, client-specific, understandable legal advice.

What they'll say: “Turn this five-page memo into seven bullet points in plain English please.”



“THEY WILL VALUE SERVICES
THAT FEEL AS IF THEY COULD
HAVE BEEN CREATED AND
DELIVERED FOR NO ONE
BUT THEM.”

7 Operations

Millennials dislike jumping through hoops. They have little patience for plodding, time-honored procedures. The rise of efficiency-enhancing legal operations specialists within corporate law departments mirrors the ascendance of Millennials who have better things to do with their time than shuffle papers. Pricing experts from the procurement department will provide the necessary persuasion. They will want to know that you're working in a cost-effective manner, and precisely how.

What they'll do: Reject the billable hour. Require project management. Routinely inquire into process improvement efforts.

What they'll say: "Legal operations will review your work. Procurement will review your bill."

PART 3:



CONCLUSION

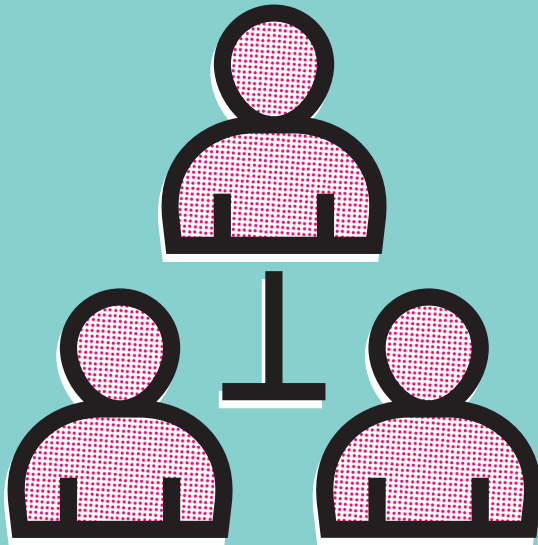
Conclusion

Everyone realises that Millennials will lead the law departments and law firms of tomorrow. Not everyone realises that tomorrow is here. Every day, another Boomer leaves the legal profession and another Millennial enters. The generational transition we've been talking about for years has finally begun. The organisations that recognise this soonest, and react the quickest, will be the best positioned to dominate the new legal market to come.

The role of the in-house legal team has changed significantly in recent years. An ever increasing amount of work is being kept in-house as the pressure to justify external spend intensifies. The GC of the future should expect to deal with the law firm of the future – and you should expect to see certain features of that law firm manifest themselves as we move further and deeper into that future.

Clients are now Millennial. Get to know them and learn to work with what they want. Remember that these people and the companies they represent are setting the pace in the new legal market, and are becoming more sophisticated and aggressive every day.

The time is now here for both the buyers and the sellers of legal services to act expeditiously and resolutely to ensure that this generational transition occurs on time and as effectively as realistically possible. If clients don't adjust to the new demographic realities, they'll miss the chance of a lifetime to take command of the legal market. If law firms don't adjust, they run the genuine risk of falling into the ditch of market irrelevance.



“THE GENERATIONAL TRANSITION
WE’VE BEEN TALKING ABOUT
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FINALLY BEGUN.”

JORDAN FURLONG

Jordan Furlong is a speaker, author, and legal market analyst who forecasts the impact of changing market conditions on lawyers and law firms. He has given dozens of presentations to audiences in the US, Canada, Europe and Australia to law firms, state bars, courts, and legal associations. Jordan is a Fellow of the College of Law Practice Management and a member of the Advisory Board of the American Bar Association's Center for Innovation. He is the author, most recently, of *Law Is A Buyer's Market: Building a Client-First Law Firm*, and he writes regularly about the changing legal market at his website, law21.ca.



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