



Lawyers on Fire: Hi Ron, it is very nice to meet you again. We are in a wonderful location today – out in the open. Today we'd like to talk about an article you recently wrote which is about working virtually.

Ron Friedmann: Actually, not so recent. It was a 2004 article, though, I would say it still has a recent message or current message that the market has yet to internalize.

Lawyers on Fire: So that was less on the technology aspect of innovation on the legal market but more on the personal way you could work as a lawyer as enabled by technology.

Ron Friedmann: Correct. The article was trying to encourage lawyers and law firms – and I am talking about larger law firms, not the traditional law firms – to encourage more virtual work because it was clear reasoning from my personal experience – I started working virtually from my home office in 1998 when it was much harder than today because the technology was immature. Today the technology is mature. I would not say do away with the central law office but have more conscious decisions so I think the very important premise of the article is that proximity does not equal collaboration. This is an example ... what many lawyers have is we are all in the same office so we are collaborating. My personal experience – having worked in large law firms and observed lawyers and worked with lawyers – is that being in the same office does not necessarily mean you are collaborating effectively. So I put forward a whole thesis about having lawyers work at home part of the time part of which has green element, right, because you reduce the amount of commuting and part of which has a work-life-balance because that means those who have outside interests or family obligations can attend to those at the appropriate hours and then work on other hours. It is something I thought about for a long time.

Lawyers on Fire: If you turn the thesis around, up-side down? I mean, there is a book I know which is called *Closeness at a Distance* – can you be close at a distance then if you say sitting in one office does not mean you are collaborating in a perfect way or the other way round? I you sit in the US and we are sitting in Europe, we know each other, you think we can have a seamless effective...



Ron Friedmann: That has been my experience in multiple times. It can be hard to develop the closeness if you never met someone although there are people I would have in the past only telephoned with – traditional phone-lines – I knew and felt I knew fairly well and then 10 years later I'd meet for the first time in person. There are people with whom I collaborated professionally for conferences or for pay that I never met and it has worked out well. So I have not found working at a distance a disadvantage, and inherent disadvantage. There is obviously a lot of advantages to being in person. I do not want to underrate that.

Lawyers on Fire: There is another “Ron Friedmann” I think who just wrote a book about a perfect place to work. That was not you, I imagine? (RF: - not me -) Just the same name. What have you found out doing research and thinking about your article in terms of for you personally: You started off as a lawyer yourself and then developed a kind of own working mode variety how you like to work. What have been your experiences for your own personal working style?

Ron Friedmann: Well, the working virtually was more driven by the job selection really than “I must work virtually”. I do not have children so I did not have the whole childcare driving some of what will drive other people. I went to work for a start-up company in 1998 after I left a large law firm and they really frankly did not have a central office. And it was “By Design”, a company in 1988 that was designed to work centrally now the center of the company was in New York City, I am in Washington DC area – that's a 3 hour train ride – and I was up in New York was . three hour train ride in New York to be sure to work with colleagues there and a lot of customers or prospective customers were there but the tools enable through video conferencing, phone, email, other collaborative tools – it is perfectly manageable. I think if I put this in the context of law firms: law firms cannot have it in both ways – they can't say we work both across offices and we work as global teams and then say we must have everyone in the same office. They are mutually inconsistent positions.

Lawyers on Fire: So what's the use of a law firm telling us I've got 100 offices or 60 offices globally and then you say offices are nice sometimes but not really the most sexy thing actually because you can also collaborate in a virtual way?



Ron Friedmann: Well, the offices – and this is driven by the regulations of course because if am a global corporation and I need legal expertise in various jurisdictions then under most of the regulatory schemes of the world those lawyers have to reside locally – so I may need people who are members of the bar in various jurisdictions and they will typically live in those jurisdictions but that does not mean that all the work has to be done that way. So the offices serve that purpose. They also provide a local point of contact but if I were the client I would want the ability to put the best team together by that law firm and if some of these people are local – I’d expect that – but some the other experts or some available resources may be in other offices and that would be perfectly ok. It’s really I would judge it by how well the firm would communicate with me and the quality of the work product they deliver, not where the people are sitting.

Lawyers on Fire: You told us in the first interview we did that you believe in the future it’s all about project management, staffing, putting together the right kind of teams for the right jobs. Do you think we will see more and more mixed teams where you have a couple of experts from one law firm – let’s say some brains from the leading law firm world-wide – mixed or teamed-up with some – let’s say more basic “ok-lawyers” I would call them for a mixed approach?

Ron Friedmann: I give you both the theoretical and the practical answer. If you look practically, you tend not to see that. Firms retain co-counsel or clients retain co-counsel where they feel they need either the specialized expertise so there may be a highly technical matter in a larger matter in a big transaction where they may need one-time expertise that the firm does not have so then there is co-counsel. Or if there is a jurisdiction-specific question they may need co-counsel but other than that they tend to internalize the work. So that’s just in practice. If you go to the theory, really the father of that thinking passed away a few years ago, Ronald Coase, a Nobel lawyer and economist who wrote *The Nature of the Firm* I think in the 1930s giving the theoretical framework for when you should internalize and do something within the walls of the firm versus outside – it has to do with transaction costs – so in theory it might be better to have broader teams across organizations but in practice I don’t see that happen.

Lawyers on Fire: You mentioned project management. How do you think project management would actually get into the legal practice?



Ron Friedmann: Well, at least in the US and I believe also in the UK and Australia – there is quite a lot of discussion with clients and by commentators about project management and defining exactly what it means is a bit of a challenge. But clients in their drive for value they sometimes explicitly ask for project management and really I think, the way I interpret that question is, I need someone actively thinking about how they are staffing the matter, how much work people are doing, are they doing the right things on the right schedule and there is someone bringing all the work together, the multiple work streams together. So I don't think clients saying you have to do project management means learn Microsoft Project but means active management. You know, in the 1990s when I was working inside of a large law firm and there was very little discussion of that at the time anywhere in the market, it was very clear to me that there were some lawyers who were inherently good at this. They had a big team and they made sure that each associate, each other partner knew what he or she needed to do, what schedule and who would check up on it. And there were others who were very good lawyers but they did not give clear assignments, they did not check up on it and were clearly less efficient. At that time clients tolerated that because either way they got good outcomes. Today it's not enough to have a good outcome – it has to be a good outcome at a good cost. and that requires actively managing the resources.

Lawyers on Fire: You said some guys are good at it from the outset. Normally this is nothing you learn at law school. Do you think law firms should team up with external agencies like project management agencies, consultants or learn how to do it themselves?

Ron Friedmann: Asking me about law school is a very dangerous question because the short answer is that at least in the US and in Canada, which are the two markets I know best, there is a lot of accreditation requirements that I think are ridiculous and if we were to do away with those then I think the traditional legal curriculum would need to change dramatically. What's now taught in 3 years would be a third to half of the time – and it should be cut to 2 years because 3 years is too expensive – but it needs to be a lot more on practical skills and everything from learning business to learning how to manage projects. So law school need a total revamp. But that's a topic for another conversation.

Lawyers on Fire: Teaming up with external agencies. How do you see this?



Ron Friedmann: There is a history of law firms working with other law firms and co-counsel relationship. I think there is more opportunity in larger matters. Clients are probably managing this now and the question if it is what it be in the law firm's interest to more actively team with other professional services providers which might be public relation agencies because a lot of the time the law matters less than the public perception and who should be managing the public relations. How do they team with engineers, with doctors, with other professions to deliver the best possible outcome? I don't think this may be thought about consciously. It think it happens. Clients should be driving this and more forward-thinking law firms have an opportunity to go to market with a better joint-up offering that has relationships in place where they can tap multiple disciplines. Subject to of course the ethics rules of fee splitting which I think are going to change but we live in an environment at least in the US where that is a consideration.

Lawyers on Fire: Talking about interdisciplinary teams – I think there are also some regulatory issues. What we see in Europe currently is – in the UK in particular – that non-lawyers are allowed now to own law firms under alternative structures. Do you think this is a good development, for example, you've got Riverview Law set up basically on the green field by an HR agency which then went into law. Do you think this is a way to address the ...

Ron Friedmann: Absolutely. I'm very excited about the alternative business structures so – this has been long and coming in the UK, I think it was around 2005-07 that you had the Clementi Commission recommending deregulation – or reregulation maybe as a better way of stating – that the UK market and the Legal Services Act took effect early I think January 2011 which enabled the alternative business structures. That's a fabulous development – I think it's still slow and happening. Allowing outside investment, allowing multiple disciplines is very good. Riverview is very innovative. It's providing services in a different way. We also see law firms going public. In Australia, we saw Slater and Gordon go public, they've just acquired other UK law firms. Gateleys – I hope I'm saying that the right way – in England just went public that provides outside capital but that also provides – at least in theory – the potential for other management, more professional management than law firms may have seen, to come in and integrate other disciplines. It's rapidly evolving which is good. There will be failures. That's good, that's how the market will learn. But there will be successes. And I think the successes will come from integrating a more diverse



approach to looking at what are now thought as legal problems to look at them more as business problems with a legal component.

Lawyers on Fire: You're very familiar also with the Canadian legal market – [RF: yes] – and there are some interesting approaches there as well. What would you say is the difference? What are the Canadians doing differently from the US – if you can say so?

Ron Friedmann: The Canadians – it's not that different in the US so a couple of commons in the Canadian market. One is that the law firms, the large law firms there – they did not face the same pressure as the US firms did after the economic crisis in 2009 because the Canadian banking sector survived much better than most of the rest of the developed world. So they never had the immediate pressure that the UK and the US firms faced. Separately, their regulations have been quite similar to the US but now – and I'm losing track of the exact name but – one of the Canadian regulatory authorities has put on the table the idea that they would consider alternative business structures and the Canadian Bar is actively discussing that. It's been discussed by the American Bar Association – which is highly influential in US bar regulation – but it does not get very far with the very conservative ABA. My words. My opinion.

Lawyers on Fire: Going back to where we started on virtual practice – I read some books on this in the US – what I understood is that there are some people who say that ethical implications about the virtual practicing of law? People like Stephanie Kimbro is talking about this – about bar and ethic commissions. What about that?

Ron Friedmann: Well, unfortunately we have to worry about that but I view that as a regulatory dinosaur. Those regulations stem from an era before we even had cars so it was very hard for a lawyer to go from one place to another, much less reach remotely by phone or now by video. Yes, people like Stephanie Kimbro have to deal with this. It's unfortunate. But there is no substantial reason why you should not pull together the best teams across jurisdictional lines. I studied law in New York state – my licence is unactive but I'm actually member of the New York and Massachusetts bars – were I practicing, I should be able to go to California and practice NY and Massachusetts law. The state laws are not that different and especially if I'm doing with



sophisticated business clients, let them take the risk that – ok, we have Ron working on this even if it's California law. Why the regulators think that the giant corporations of the world where the clients are lawyers need this protection I had never understood. With consumers maybe it's a little bit different.

Lawyers on Fire: Finally, just to wrap up, what will the next generation of lawyers – the guys just coming out of law school – see. Will it be a better way of practicing? Is there new chances?

Ron Friedmann: I think there will be a little bit of a bifurcation in the market. Those students who go to the top US law schools – the Harvard, Yale, the NYU, the Columbias of the United States – they may have curriculum reform, really those are having the tickets punched we say in the US, meaning you are getting that credential, they are going go to top law firms and there won't be much drive for change. And I don't make the mistake of assuming because someone is young they are more comfortable with technology. They may perfectly have the typing but I don't make any assumption about their technical skill. The law schools not as highly ranked – several of them in the US are very seriously integrating legal technology, project management, process improvement into their offerings. Their graduates will I think have a different set of skills and demand for them will develop. Three law schools that are very interesting in that regard – in case we have US listeners – are Michigan State University which started the reinvent law conference program, IIT Kent College of Law which is part of Illinois Institute of Technology where Ron Staudt has been doing this for there decades – the integration of technology into law training – and then Suffolk Law in Boston where Andy Perlman, a visionary in the practice of law, just was named dean of the law school . Those schools are turning out students who have a broader array of skills. I am friendly with one from Michigan State University who was hired by a large law firm even though he is not practicing law, he is acting as a project manager. That is an example of what we will see more of.

Lawyers on Fire: So just to warp up. Can you tell us a bit about what you are currently working on – the next great things we will see and hear from you, which we should watch out for?



Ron Friedmann: Sure. Let me start because it may have the most – and I’m doing air quotes that you cannot see – “sex appeal” which is IBM Watson. I’ve spent a lot of time recently talking to people at IBM, talking to others who know about Watson, there are a couple of economists who are interested and I’ve been in touch with them. I also attended World of Watson so I’m tracking that. What exactly will happen with that we do not know. In terms of paid consulting I’m working with two law firms now on rolling out pricing, monitoring, project management software and I think that we will see much more of. To put tools in place that lawyers can use so that they actually more easily see what is the work that’s happening, who is doing what and how much are they spending so they can better manage it and better communicate to clients and know earlier if they need a scope change and know earlier if they may need to consider how they are staffing the matter to both improve service to the clients and improve profitability for the law firm. So I think we will spend several years digesting that set of skills and software.

Lawyers on Fire: Thank’s very much Ron for being with us today.

Ron Friedmann: Thank you.