

Innovative Tweeting Asserts Thinking Like a NewLaw-yer to Survive the Legal Evolution:
NewLaw New Rules: A Conversation about the Future of the Legal Services Industry

By George Beaton

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“Never, in the history of the legal blogosphere, have so many innovators, disruptors, gurus, and rebels assembled in one shared space . . . generating such a lively and informed conversation about tomorrow’s law firms.”¹

George Beaton, author of *NewLaw New Rules: A Conversation about the Future of the Legal Services Industry*, provides the reader with a unique perspective of an evolutionary change in legal practice through the eyes of visionaries.² As a legal services industry specialist, business adviser to law firms, and an associate professor at the University of Melbourne, Beaton uses his professional insights to argue the efficiency of such technological innovations through his organization of Twitter feeds as a basis for presenting and analyzing this evolution. This style of Tweeting is a collaboration of ideas through a true illustration (along with the electronic book format) of maximizing technology and social platforms to step out of the traditional method of providing legal services.

¹ George Beaton, *Foreword by Professor Richard Susskind*, NEWLAW NEW RULES: A CONVERSATION ABOUT THE FUTURE OF THE LEGAL SERVICES INDUSTRY (Beaton Capital 2013).

² George Beaton, NEWLAW NEW RULES: A CONVERSATION ABOUT THE FUTURE OF THE LEGAL SERVICES INDUSTRY (Beaton Capital 2013).

This conversation between legal and business professionals, innovators, and truth-seekers from Australia, Canada, Hong Kong, Spain, the United Kingdom, and the United States, builds upon the ideas and analysis of the direct words of the group's Tweeters, which are easily referred to by the direct Tweets numbers (#). Beaton carefully balances the use of abbreviations, new age jargons, and risky analysis to allow for an exciting, yet daunting experience of uncertainty of the legal world as we know it. Beaton's other specialties include his focus on globalization of professional services and the contemporary meaning of professionalism, which is linked to his argument that "NewLaw" (new business model based on distinctive features) threatens "BigLaw" (traditional law firm business model) practices by providing a higher quality of efficient and effective legal services with the integration of new technological tools.

In Chapters one and two, Beaton dives into the definition of BigLaw and NewLaw. BigLaw, created as a reminder of traditional law firms big and small, describes the firm by their business model. On the contrary, NewLaw reflects a new type of business model willing to provide legal services through a more flexible and client-fitting approach. The terms "disruption" and "innovation" are referred to throughout the book as the threatening effects of NewLaw entering the legal market. The conversation focuses on the growing trend of client sophistication, and how client needs reflect the demand for more efficiency, transparency, accountability, and predictability in costs.³ British, Australian, and American research combined shows a trend of legal services being obtained by a client mainly for "primarily reactive" reasons, rather than for "preventative" measures.⁴ Therefore, emphasizing the need for a more

³ See *id.* at Chapter 2: Peter Carayiannis (Twitter comment #11).

⁴ See *id.* at Chapter 2: George Beaton (#44.1).

attractive solicitation of legal services in order to create a bigger market for unmet legal service needs.⁵

Chapter two continues the conversation on the disruption of NewLaw by acknowledging the importance of legal tools as an essential part of the legal industry.⁶ Using technology systems, such as Westlaw and Lexis to enhance legal services is not new. However, the analysis addresses the potential for these systems, such as legal project management software to replace high-level legal analysis, and advice and dispute resolution, creating “co-opetition” for BigLaw clients at lower costs.⁷ The idea of co-opetition indicates an optimistic future for NewLaw and BigLaw to work together to provide the tailored (and lower cost) legal service expected by the client and achieved by business effectiveness on both ends.

In Chapters three and four, the conversation switches to BigLaw rules, elements of its business model, and the resilience that exists within the partnership structure to NewLaw alternative and commoditized legal services.⁸ Highlighting the hallmarks of the BigLaw business model, Beaton uses five categories to demonstrate the consequences of an unchanging model: 1) Human capital, 2) Technology, 3) Practice economics, 4) Ownership structure, and 5) Fees.⁹ Although the elements and successes are thoroughly discussed between the proponents of the BigLaw business model, it is set up to portray a forecast of a “perfect storm.”¹⁰

Nevertheless, Beaton is effective in exposing the Tweets discussing current conditions in legal field as needing structural change versus the conditions being cyclical in nature. The

⁵ See *id.* (listing NewLaw firms developing a range of services using document automation technology with internet delivery to assist clients on specific issues through convenient, easily navigable interviews online).

⁶ See *id.* at Chapter 2: Joel Barolsky (#5); Joshua Kubicki (#28).

⁷ See *id.* (inferring the economic term “co-opetition” as an interaction for higher-value of creation within the competitive market).

⁸ See Beaton, *supra* note 2, at Chapter 3.

⁹ See Beaton, *supra* note 2, at Chapter 3 (using the BigLaw Business Model explained in his post, *Last Days of the BigLaw Business Model*. This model is reflected in a chart, also referred to in Chapter 5).

¹⁰ See Beaton, *supra* note 2, at Chapter 4.

conversations compare the structure of BigLaw to handle complex work, standing the test of time of market demands and innovation. It is interesting, however, when the discussion turns to what BigLaw's response will be to a disruption in their business structure; to hire "teams of highly skilled market research professionals and outbound business developers whose aim is to identify new commercial opportunities for new potential and existing clients."¹¹ The Twitter battle continues to address BigLaw's ability to serve the growing and evolving needs of their clients while maintaining the demand for BigLaw service, a type of "price insensitive work."¹²

To summarize and clarify the resilience of BigLaw recognized in many of the group's Tweets, five challenges facing law firms to switch to NewLaw business methods are laid out for the reader to digest: 1) The fundamental supremacy of the individual lawyer over the firm; 2) The focus on full-time lawyer effort as the dominant source of productivity and revenue; 3) The near-complete lack of comprehensive business intelligence about the firm's inventory, costs, profits, and clients; 4) The compensation principle that lawyers are to be rewarded almost 100% on the basis of business originated and time billed to client files; and 5) The near-complete absence of succession planning and its antecedent, true partner development and mentoring.¹³

Pointing to another element that maintains BigLaw resistant to NewLaw effects, the conversation highlights the seemingly endless cycle of BigLaw client loyalty.¹⁴ With less emphasis on the quality or efficiency of service, General Counsels tend to continue market behavior using BigLaw firms because it is a familiar environment of "same dysfunctional service

¹¹ See Beaton, *supra* note 2, at Chapter 3: John Grimley (#46) (pointing out the ability of BigLaw to create demand for its own services).

¹² See Beaton, *supra* note 2, at Chapter 3: Joel Barolsky (#19) (addressing the fact that many of "BigLaw's clients are skeptical, risk-adverse lawyers with BigLaw pedigrees," finding NewLaw unattractive).

¹³ See Beaton, *supra* note 2, at Chapter 3: Jordan Furlong (#13).

¹⁴ See Beaton, *supra* note 2, at Chapter 4: Susan Hackett (#34).

mode” that they know so well, but cannot move away from.¹⁵ Even if better quality is offered with a side of efficiency, BigLaw clients may not have the appetite for it just yet.

In Chapters five and six, the sun seems to shine through the clouds as the Twitter conversation transforms into an uplifting array of NewLaw rules, potential, and value for business and consumer clients. Eric Chin of Beaton Capital coined “NewLaw” as the antithesis of BigLaw and referred to the rise of “supertemps” looking for flexibility in work arrangements and alternative business models.¹⁶ Again, the hallmark chart¹⁷ with the five categories and consequences of BigLaw business model is presented, but with NewLaw business model elements, allowing the reader to compare the effectiveness of predictable NewLaw business structure and the coinciding positive results.¹⁸ In addition, Beaton compares DLA Piper, one of the biggest BigLaw to Axiom, an innovative NewLaw, and highlights the upward trend of Axiom’s predicted, along with the rapid growth based on market dominance and BigLaw’s reduced volume and prices.¹⁹

Although the chart comparison is only a prediction, the conversation continues to support the thriving growth of NewLaw through technological innovation, similar to the evolution in the music industry.²⁰ During the rise of MP3 and iPod playlists, musicians had a choice to use the structure of updated technologies to advance their game, or fall behind the unstoppable trends, similar to the opportunities of NewLaw.²¹ However, NewLaw does not enter the competition

¹⁵ See Beaton, *supra* note 2, at Chapter 4: Susan Hackett (#34).

¹⁶ See Beaton, *supra* note 2, at Chapter 5 (defining supertemps as lawyers trained by BigLaw firms, looking for flexible work arrangements and alternative business models).

¹⁷ See Beaton, *supra* note 2, at Chapter 4.

¹⁸ See Beaton, *supra* note 2, at Chapter 5.

¹⁹ See Beaton, *supra* note 2, at Chapter 5 (showing that Axiom outgrows DLA Piper by 2018 in a dotted line chart dated 2002-2018 with revenue of \$0-\$6,000 million).

²⁰ See Beaton, *supra* note 2, at Chapter 5: Jeremy Szwider (#40) (analogizing the opportunity of NewLaw to progress and rise with changes in the legal market just as musicians were expected to do with music consumerism and music revolution).

²¹ See Beaton, *supra* note 2, at Chapter 5: Jeremy Szwider (#40).

without challenges. As outline in the conversation in Chapter Six, BigLaw pedigree attracts BigLaw clients, as well as NewLaw clients because of the level of trust and comfort implied in a BigLaw legal relationship.²²

The conversation in Chapter Six continues to point out that a new type of substantive training is needed for the advancement of the legal profession as a whole. This “new” training is described as achieving experience in client relations, business generation, and business management, benefitting the client and satisfying their growing legal needs. Furthermore, the important distinction is made during this conversation of quality and quantity of training in firms.²³ The result of an ideal “NewLawCurriculum” portrays a hopeful image for future generation lawyers to think like a “value-creating legal issues problem solver” in order to survive practice in an all-encompassing legal role.²⁴ Therefore, the term “thinking like a lawyer” will have a new meaning, beyond the limits and expectations of a traditional lawyer, with more emphasis on risk management and outcome predictions.²⁵ A lawyer will be more of a “legal issues interpreter” focused on business-minded solutions, management training, including commercial and technology solutions and maximizing profits.²⁶

Finally, Chapter Seven discusses the difficult balance that NewLaw strives to achieve with innovation and ethical standards of behavior when applying innovative methods, such as fixed fees.²⁷ By shifting the risk of legal service costs onto providers, NewLaw firms are able to encourage efficiency and better business management, since the risk is no longer on the client.²⁸

²² See Beaton, *supra* note 2, at Chapter 6: Ross Dawson (#17); Nicole Bradick (#33) (indicating that NewLaw firms have to earn the trust and confidence of their clients that BigLaw firms already have attached to their business structure).

²³ See Beaton, *supra* note 2, at Chapter 6: Patrick Lamb (#33.1).

²⁴ See Beaton, *supra* note 2, at Chapter 6: Jordan Furlong (#33.3); Silvia Hodges Silverstein (#50).

²⁵ See Beaton, *supra* note 2, at Chapter 6: Silvia Hodges Silverstein (#50).

²⁶ See Beaton, *supra* note 2, at Chapter 6: Silvia Hodges Silverstein (#50).

²⁷ See Beaton, *supra* note 2, at Chapter 7: Richard Moorhead (#49).

²⁸ See Beaton, *supra* note 2, at Chapter 7: Richard Moorhead (#49).

This idea connects back to importance of business-minded solutions, when addressing the business model structure and quality of legal service provided.²⁹ However, although fixed-fee billing seems to address client concern for quality and efficiency, ethical and moral dilemmas may apply in instances in which financial limitations encourage lawyers to cut corners.³⁰

Throughout George Beaton's e-book, *NewLaw New Rules: A Conversation about the Future of the Legal Services Industry*, Beaton provides the reader with a broad range of perspectives from BigLaw business models to the counter NewLaw innovative strategies. While serving as a manual for new and upcoming lawyers, Beaton reminds current lawyers of an exciting reality that the legal practice will need to adjust to the rapid influences of technology. I believe Beaton accomplished his goal of provoking dialogue amongst a group of diverse opinions to create the start to a more ethical, efficient, and quality futuristic legal service. I would recommend this e-book to future lawyers concerned (and not) about their role in the ever-changing legal profession, as well as to current lawyers in search of advancing their legal practice.

Technological innovation and predictions of new client behavior in legal practice do not immediately threaten the business success of BigLaw, as hinted in the Twitter conversations. These conversations warn that NewLaw targets the majority of legal services by providing more efficient services at a lower cost for the sophisticated client. By applying these types of adjustments within the BigLaw business structure, a hybrid of BigLaw and NewLaw is created. This hybrid will provide higher quality of legal services by replacing outdated methods with new age tools better equipped to successfully handle more clients with decreased fixed costs.

²⁹ See Beaton, *supra* note 2, at Chapter 7: Richard Moorhead (#49).

³⁰ See Beaton, *supra* note 2, at Chapter 7: Richard Moorhead (#49).