

**NEW MODEL LAW FIRMS AND LEGAL BUSINESSES THAT ARE BUILT TO MEET IN-HOUSE  
COUNSEL DEMANDS IN THE NEW ECONOMY**

By Sam Krause

After the Great Recession in 2008, the economy changed forever. Corporate cost cutting has begun to force outside law firms to change the way legal services are provided. This paper will profile several law firms and legal service businesses that have been reengineered and built to satisfy the cuts in corporate legal budgets without sacrificing high-quality work product.

**Background**

The Great Recession in 2008 caused a market downturn and, as a result, corporations started to cut expenses, including legal fees. Law firm partner billing rates have continued to increase, so at first glance it appears that reduced corporate legal budgets are not a problem for traditional partnership firms; however, the problem is apparent in the fact that collection rates have spiraled down since 2008 to below 85%.<sup>1</sup> Law firms might be asking corporate clients for more money, but less and less of the bill is getting paid.

Another issue is the growing disdain in-house counsel feel for the billable hour. In the new economy corporations want to plan and budget legal expenses and this is difficult with the billable hour because legal fees based on this method are unpredictable and can produce huge costs. In 2007 Mark Chandler, Cisco's Senior Vice President and General Counsel, said in a speech that:

“As Cisco gets bigger, the share of revenue devoted to legal expense needs to get smaller. Letters from law firms telling me how much billing rates are

going up next year are therefore totally irrelevant to me... So from my perspective, I don't care what billing rates are. I care about productivity and outputs."<sup>ii</sup>

In-house counsel have increased demands on firms to find creative ways to meet their budgetary challenges, and one solution is alternative fee arrangements.<sup>iii</sup> Alternative fee arrangements are any billing mechanism that does not rely on the traditional billable hour.<sup>iv</sup> Five of the most common alternative fee arrangements are blended rate fees, capped fees, contingent fees, fixed fees, and performance fees.<sup>v</sup> Although many traditional partnership law firms will now offer to structure their billing by one of these arrangements, often the legal expenses are as high or higher than when they use the billable hour.<sup>vi</sup> This occurs because the firm will simply estimate how many hours it will take to complete the matter and then multiply it by their hourly rate to give a single fee.<sup>vii</sup> When firms do this, in-house counsel do not get any of the savings they want, and they might actually be paying more because the firms will probably estimate extra hours to protect themselves.

Corporate counsels' desires for reduced and predictable legal billing coupled with traditional firms lacking real alternative fees has provided an opportunity for entrepreneurs and forward thinking lawyers to not only offer real alternative fee arrangements but also develop a new model law firm or legal services business that can cut cost and provide predictable fees.

### **"New Model" Law Firms and Legal Businesses**

In order to meet the demands of corporations and their in-house counsel, some law firms have begun reorganizing the very structure of their business. These so called “new model” firms are attempting to do more than simply offer alternative fees for clients. They are being built around one goal: client satisfaction. Some of the leading firms and legal businesses embracing the “new model” idea are 1) Riverview Law, 2) Seyfarth *Lean*, 3) Crowell & Moring, 4) Valorem Law Group, and 5) Axiom. The following profile for each of these law firms and legal businesses will include their history, business structure, and the types of fee arrangements they use to appeal to in-house counsel.

#### Riverview Law

Riverview Law is a United Kingdom law firm that has totally embraced the “new model” idea to meet the demands of the new economy. This firm is different from the other firms addressed in this paper because it is organized as an alternative business structure (ABS). There are three main differences between an ABS and a regular United States or United Kingdom law firm. First, an ABS is a law firm where a non-lawyer either is a manager of the firm or has some ownership-type interest in the firm.<sup>viii</sup> Second, the firm can raise equity from outside investors even if it does not have non-lawyer involvement at the management level.<sup>ix</sup> Third, the firm can provide a wider range of services to clients, so it is not limited to legal services.<sup>x</sup> ABSs were made possible with the passage of The Legal Services Act 2007 in the United Kingdom.<sup>xi</sup> The Legal Services Act has provided an opportunity to structure and raise capital for a law firm in an entirely new and unprecedented way.

In addition to being an ABS, Riverview Law is also unique because it did not spawn from a previous law firm. Instead, it grew out of a company that provided other types of professional services. Karl Chapman and others from another UK business called AdviserPlus Business Solutions created Riverview Law in May 2011 and opened for business in February 2012.<sup>xii</sup> AdviserPlus is a business that provides professional services for a company that would otherwise be handled in-house. For example, AdviserPlus can provide a client with human resources, health and safety, and business management advice.<sup>xiii</sup> Clients began expressing interest in having AdviserPlus manage their legal affairs as well, and UK law firms approached AdviserPlus wanting to use their business model to create a law firm.<sup>xiv</sup> Thus the idea to create a law firm and AdviserPlus hybrid was formed. This background gave the founders a unique perspective, and the opportunity to create a business model that could provide legal services in a whole new way.

Because Riverview Law was built from a blank slate it is important to understand the number one goal the creators had when forming the firm: offering only fixed fee legal services. Two years of extensive market research went into the formation of Riverview Law. The founders analyzed white papers, websites, reports, and other market intelligence sources, met with law firm partners and in-house counsel lawyers, and briefed with potential clients.<sup>xv</sup> After all of this research, they found that the number one concern held by corporate clients and in-house counsel was the unpredictability of legal fees.<sup>xvi</sup> The research also showed that the old partner structure was not meeting this need.<sup>xvii</sup> Riverview Law's founders saw an opportunity to meet corporate desires for a fixed fee, but at the same time

restructure the way legal services are provided to undercut the price offered by partnership model firms.<sup>xviii</sup> Therefore, Riverview law became structured around offering fixed fee legal services at the best cost for the client.<sup>xix</sup>

Every component in the structure of Riverview Law is about being able to offer low cost fixed fees to corporate clients. The parts that make this possible are the financial structure, the types of attorneys hired and how they are incentivized, and the minimization of other overhead costs.

Riverview Law's financial structure allows the firm to be client focused. Instead of the partnership structure, in which the law firm is owned by all of the practicing partners in the firm, Riverview Law is an ABS owned by a holding company, LawVest, which is in turn owned by a number of shareholders including Karl Chapman, Nigel Knowles, AdviserPlus, and DLA Piper.<sup>xx</sup> This business form allows Riverview Law to make financial decisions that revolve more around client satisfaction, gaining market-share, and improving share value as opposed to being focused on how much the firm can pay out to its partners at the end of the year.

The way the attorneys are staffed and incentivized at Riverview Law also plays an important role in the firm's ability to offer fixed fees. The firm targets attorneys that can engage with and advise in-house counsel in plain English.<sup>xxi</sup> They want attorneys that can handle a changing commercial environment, adapt to new technologies, and have collaboration skills as a core competency.<sup>xxii</sup> Attorneys with these skills minimize the amount of time wasted on translation and over analysis, improving client satisfaction. Once attorneys are hired, they are encouraged to take a rigorous approach to training and managing workload.<sup>xxiii</sup> The firm has certain

positions like legal project manager, cost analyst, and research and development, which focus on getting things done cheaply.<sup>xxiv</sup> Also, Riverview Law attorneys are incentivized in an untraditional way. Success is measured by how effectively and quickly the client's legal requirements are satisfied as opposed to being rewarded for the number of billable-hours generated on a client.<sup>xxv</sup> Attorneys and paralegals are staffed to be most effective because in-house counsel clients no longer worry about paying for associate attorneys.<sup>xxvi</sup> The way Riverview Law has structured their attorney hiring, staffing, and incentivizing allows them to meet in-house counsels' needs.

Finally, the minimization of other overhead costs allows Riverview Law to pass on savings to their corporate clients. Riverview has been able to leverage effective technology and workflow systems to enable their legal and support teams to be flexible and efficient.<sup>xxvii</sup> Client interaction is often done through their Myview Portal platform on their website. On the portal clients can get access to all of the specific documents and projects being worked on by Riverview Law attorneys as well as unlimited access to general legal documents, forms, records, and templates.<sup>xxviii</sup> This speeds up information sharing and reduces printing and shipping costs. Also, Riverview Law takes advantage of virtual communication with their clients via email, video conferencing, and the telephone, which saves money by not having to rent an expensive city-center location.<sup>xxix</sup> These technology improvements allow Riverview Law to reduce their other overhead costs to provide cheaper and more streamlined legal advice.

Riverview Law uses their business structure to offer a variety of legal services all based on fixed fee arrangements. They offer fixed-fee one-time representations in disputes or mergers and acquisitions, and they do annual contracts to do legal advising for mid-market businesses and large organizations.

Riverview Law's offers a fixed fee arraignment for both litigation matters and merger and acquisition matters. The client gets a free initial meeting in which they can discuss the potential matter with a Riverview Law attorney.<sup>xxx</sup> Then the firm estimates how much work will need to go into the matter and offers the client a fixed fee.<sup>xxxi</sup> If it is complex litigation, it is impossible to estimate exactly how the litigation will progress so the firm will pick out significant points in the litigation process and provide fixed fees from point to point.<sup>xxxii</sup> For mergers and acquisitions, Riverview Law uses the same process of offering a free consultation followed by a fixed-fee proposal to handle the whole deal.<sup>xxxiii</sup> If the deal ends up not going through, the client only pays half of the fee.<sup>xxxiv</sup>

The legal counsel annual contract is a fixed fee service where mid-market corporate clients get unlimited access to reliable legal advice and support for all day-to-day legal requirements.<sup>xxxv</sup> This includes advice, guidance, document preparation and review, plus management of correspondence in any dispute up to the commencement of any legal proceedings.<sup>xxxvi</sup> If the client needs representation in a particular legal dispute, the client will be offered a fixed-fee proposal for that specific matter. The client can decide to go with another law firm for the matter, and Riverview Law will turn over all of the documents and correspondence in connection with that dispute to the client's chosen firm.<sup>xxxvii</sup> The legal advisory

outsourcing offered for large businesses is also done on an annual contract and is more tailored to the clients' specific needs.<sup>xxxviii</sup>

Riverview Law has completely rethought how to provide legal services and advice, forming a firm that is centered on offering high quality work at a predictable and reasonable cost.

### SeyfarthLean

SeyfarthLean is a branch of the Chicago law firm Seyfarth Shaw.<sup>xxxix</sup> Six years ago, Seyfarth's clients started coming to the firm and asking for alternative fee arrangements and cheaper fees. In order to meet these demands, the leadership at Seyfarth needed to find a way to reduce costs to avoid taking losses on their fixed-fee matters.<sup>xl</sup> The firm decided to create a new branch that adopted a Lean Six Sigma business philosophy. Lean Six Sigma allowed them to reorganize how they provided legal services so the firm could offer fixed fees at a reasonable cost to corporate clients and their in-house counsel.

In order to understand SeyfarthLean's approach to the new model law firm, it is important to know the background of Six Sigma and Lean. Six Sigma is a business process improvement methodology, which was introduced in the early 1980s by Motorola and adopted by Jack Welch and General Electric.<sup>xli</sup> This methodology has historically been used in the manufacturing industry; however, recently it has been adapted to other businesses.<sup>xlii</sup> Six Sigma means that in order to be successful the process can only fail to meet customer expectations 3.4 times out of a million customer interactions.<sup>xliii</sup> Although that level of perfection might not be realistically



attainable, the important effect is that it changes the way attorneys approach client matters. Instead of being concerned about how many hours the client is being billed, the emphasis is on consistent client satisfaction, which means establishing process and minimizing variation.

Lean is a business technique developed by Toyota to redesign their manufacturing process to be more balanced, so that waste is removed and money is saved.<sup>xliv</sup> The purpose of implementing Lean is to focus on what is important to the customer, realizing what adds value, eliminating waste from delays, and continually pursuing improvement.<sup>xlv</sup> As applied to a law firm this meant improving predictability of fees, lowering client costs, increasing transparency, allowing clients to collaborate, and providing clients with real-time access to the management of the matter.<sup>xlvi</sup> By applying Lean Six Sigma, SeyfarthLean has re-imagined how attorneys can approach their work and client interaction in order to provide the lower cost services in-house counsel desire.

SeyfarthLean's implementation of Lean Six Sigma has brought about some changes in their structure and how the firm provides legal services. Some of the main changes in the firm include adopting process mapping, a new associate pay system and incentives, and technology tools.

Process mapping is an improvement strategy used in the Lean Six Sigma methodology. At its most basic level, the process mapping involves using 8-by-9-inch sticky notes, and laying out all the steps in the delivery of a particular type of legal service.<sup>xlvii</sup> For example, when this process was applied to Seyfarth Shaw's Structured & Real Estate Finance group, they found that there had been 210 steps in

a given real estate closing.<sup>xlvi</sup> The lawyers quickly found ways to eradicate waste and redundancy in the process, eliminating 29 steps and reducing the client fees by 15%.<sup>xlix</sup> By applying the mapping process, SeyfarthLean has been able to reduce client fees in different types of matters across the firm anywhere from 15% to 50%.<sup>l</sup> This provides significant savings that in-house counsel can bring back to their employers. Also, it allows SeyfarthLean to offer fixed fees because mapping helps the firm establish a predictable process for each matter.

SeyfarthLean decided to end its traditional system of lockstep associate pay increases determined by how many years removed the associate was from law school.<sup>li</sup> Instead, they now have three levels of associates and the attorneys are evaluated yearly against a list of competencies to determine their salary, bonus, and progress along the levels.<sup>lii</sup> The firm also found that simply pushing work down to younger associates to offer clients cheaper fees was actually the most inefficient way to solve that problem.<sup>liii</sup> Now, the associates work with a partner first to understand the strategy before they begin on a project.<sup>liv</sup> These changes in the role associates play in the firm have helped eliminate waste and reward efficiencies, bringing more savings to corporate clients.

Technology has played an important role in implementing Lean Six Sigma at SeyfarthLean. One such piece of technology is the Matter Management System. This software allows the attorneys to track and monitor matters as they progress.<sup>lv</sup> It is also available to clients, so they can see the percentage of the project completed and how much of the budget has been spent.<sup>lvi</sup> Another tech improvement is integrating the firm's templates with client templates and creating customized resource

repositories that are fully searchable and cataloged.<sup>lvii</sup> In-house counsel clients can access their repository at anytime through Seyfarth Shaw's client extranet site.<sup>lviii</sup> By adapting these technology tools Seyfarth*Lean* allows clients to be more involved and have a comforting sense of transparency and predictability.

Seyfarth*Lean* not only restructured how it provides legal services, but the firm has adopted the intense and thorough Lean Six Sigma business methodology to meet the demands of corporate clients in the new economy.

### Crowell & Moring

Crowell & Moring is another United States law firm that has begun to experiment with retooling the way it provides legal services in order to provide corporate clients with fixed fees. Similar to other firms after the Great Recession, Crowell & Moring's clients began asking for fixed fees and discounts on services. This led the firm to develop new programs and strategies to meet in-house counsel needs.

Crowell & Moring's approach to the new model firm is to focus on entirely reinventing its relationship with its clients.<sup>lix</sup> The goal of this reinvention is to forge a true partnership that is sustainable, unique, and long-term. Crowell & Moring wants to move away from a relationship in which its services can easily be commoditized and replicated by data-management software or contract lawyers.<sup>lx</sup> The firm aims to develop these new partnerships by being more proactive on identifying client-specific risks and opportunities, including ones that the clients have not yet realized themselves. The firm can only achieve this type of relationship

by investing a substantial amount of time in understanding their business and industry at no cost to the client.<sup>lxi</sup> Attorneys are a much more valuable and irreplaceable asset when they know the inside and outside of their client's business. In addition to reinventing its client relationships, Crowell & Moring is establishing its new model structure around collective knowledge.<sup>lxii</sup> The firm has identified its most valuable asset as its diversity of experience and expertise resulting from solving multifaceted problems for an array of clients over many years.<sup>lxiii</sup> It is the firm's collective knowledge, expertise, wisdom, and judgment that has extraordinary worth and can command premium fees.<sup>lxiv</sup> By reinventing its client relationships and harnessing its collective knowledge, Crowell & Moring is able to offer the services in-house counsel need at the prices they want.

Crowell & Moring has made changes in how it staffs the firm in order to develop client relationships and offer predictable, low-cost fee arrangements. One of these staff changes has been the building up of a substantial base of non-lawyer professional staff with sophisticated financial and corporate experience.<sup>lxv</sup> This base of support staff gives the firm an advantage in understanding its clients' business needs.<sup>lxvi</sup> Another change is the creation of the firm's secondment program.<sup>lxvii</sup> The secondment program is where Crowell & Moring will temporarily have their attorneys move in-house with clients to learn and work alongside them.<sup>lxviii</sup> In-house counsel are also encouraged to come and spend time in the firm.<sup>lxix</sup> These attorney swaps help Crowell & Moring gain intimate knowledge about its clients and strengthen the client-firm relationship.

In 2011, Crowell & Moring initiated its legal project management training for all of its attorneys and paralegals.<sup>lxx</sup> This is a program that equips trainees with enhanced skills for running matters effectively and efficiently.<sup>lxxi</sup> Participants learn how to create and manage budgets, partner with outside service providers, and conduct post-matter assessments to improve service and discover best practices.<sup>lxxii</sup> This training allows the firm to pass on its collective knowledge to all the attorneys and project management staff, enhancing the value of each individual. The firm invests more in young attorneys at the beginning of their career, so they can later provide more value to the firm and its clients.

The reinvention of its client relationships and the introduction of new firm practices and projects have allowed Crowell & Moring to offer its clients “value based” billing arrangements.<sup>lxxiii</sup> All of these arrangements are success based, so the firm does not get paid unless it helps the clients achieve what they define as success.<sup>lxxiv</sup> The options include reduced flat fees with performance bonuses, full or partial contingent fees, and holdback fees in which the client can decline to pay if it decides the legal services did not add value.<sup>lxxv</sup> Due to the risk Crowell & Moring incurs by offering these types of fee arrangements, the firm only offers them to clients with whom it has a history and can trust.<sup>lxxvi</sup> This encourages clients to develop the long-term and sustainable relationships that the firm has built its new model around. An example of how this process works is embodied in Crowell & Moring’s relationship with CSX Corporation. Originally the fee arrangement allowed CSX to hold back 15% of all invoices for hourly billing until an end of the year review.<sup>lxxvii</sup> If firm attorneys did not score well enough on score sheets developed

by CSX, CSX never had to pay the 15%.<sup>lxxviii</sup> Overtime a significant level of trust was established, and now Crowell & Moring does all of its work for CSX on an annual flat-fee billing arrangement.<sup>lxxix</sup>

Crowell & Moring has been rebuilt into a new model firm with a focus on long-term client relationships and harnessing institutional collective knowledge. Some of the structural changes that have made this happen are the secondment program, the legal project management training, and the multiple options of value based billing arrangements.

### Valorem Law Group

Valorem Law Group is a small United States law firm that has implemented its own style of the new model law firm based on questioning everything.<sup>lxxx</sup> The firm is willing to change anything that needs to be changed in the best interest of the client, not the firm.<sup>lxxxii</sup> This is so important to the way the firm wants to provide its legal services that it is highlighted in the name of the firm. The word valorem means “value” in Latin.<sup>lxxxiii</sup> This philosophy has established Valorem as a national thought leader on the use of alternative fees for litigation matters.<sup>lxxxiii</sup> In the five years since the firm was founded, it has never asked a client to change a fee.<sup>lxxxiv</sup>

One of the unique structural aspects of Valorem Law Group is that they have assembled an advisory board comprised of current and former inside counsel, advisors to the legal industry, academics, and business leaders.<sup>lxxxv</sup> Specifically some of the members include the assistant general counsel of DSW Inc., the general counsel of Kayak.com, and a senior litigation counsel for Motorola Mobility, Inc.<sup>lxxxvi</sup>

Related to the advisory board, the firm has a regular event, “Lunch with a Cool Person.”<sup>lxxxvii</sup> Industry experts, CEOs, entrepreneurs, and in-house counsel are invited to be a guest of honor for an informational session over lunch. The attorneys ask them questions to get advice for improving client service. Some of the “cool person” guests include Andrew Mason the founder and former CEO of Groupon, Mike Gamson the VP of Corporate Solutions for LinkedIn, and Nancy Loeb the Director of Northwestern Law School’s Environmental Law Clinic.<sup>lxxxviii</sup> The purpose of these initiatives is to bring in new perspectives and to help the attorneys realize the firm philosophy of questioning everything in order to make the client experience better.

Another practice that separates Valorem Law Group from other firms and promotes its firm philosophy is that that the attorneys have collaboration sessions.<sup>lxxxix</sup> This allows the attorneys to be creative and share ideas and strategies with other lawyers in the firm. Clients would not be able to get this at an old model law firm because paying senior attorneys by the hour will normally carry too high of a cost to allow them to collaborate. Also, the firm extends an invitation to have collaboration sessions with clients’ in-house lawyers, other law firms, services providers, consultants, or customers.<sup>xc</sup> Valorem will work with anyone to bring clients more value. In addition, the pay structure lends itself to promote more collaboration among the attorneys. Valorem’s partners are all paid exactly the same amount, so there are no personal impediments to interfere with maximizing the results for everyone’s clients.<sup>xc</sup>

Valorem is staffed with almost all senior and experienced lawyers, all of whom left BigLaw firms, and a few junior associates.<sup>xcii</sup> This allows clients to always have the best attorneys working on their matter and eliminates the time and money wasted at other firms when client matters are passed between partners, senior associates, and junior associates. Although the firm consists of mostly senior attorneys, clients are not paying senior attorneys to do all the work associates would otherwise be doing at a regular firm. Instead, the firm has strategic alliances with Novus Law, which does document review, and Blackstone Discovery, which collects, secures, and processes electronically stored information for e-discovery.<sup>xciii</sup> This allows the attorneys to focus on their areas of legal expertise and saves clients money on two areas that are traditionally cost centers.

Valorem uses these structural benefits to offer high quality legal services at reasonable fixed fees. One feature that the firm offers in its alternative fee arrangements that is different from other firms is the value adjustment line. This is a line on the invoices that get sent to clients where the client can choose to pay a lower fee than was agreed upon if it feels like the service was not adequate.<sup>xciv</sup> The purpose is to show the firm's commitment to clients and that the firm is always economically incentivized to provide the best value. The risk of clients not paying the full fee is one the firm is willing to take to make sure in-house counsel and corporate clients are satisfied.

Valorem Law Group has had success with its questioning all things philosophy and alternative fee arrangements. At its founding in 2008, the firm had four attorneys, and since then it has tripled in size to twelve attorneys and added a



second office.<sup>xcv</sup> The firm has been named to BTI Consulting Group's Client Service A-Team three years in a row, which is based on unsolicited input from corporate counsel.<sup>xcvi</sup>

### Axiom

Axiom is not a law firm, but it is a new model of how legal services can be provided to in-house counsel and corporations. Axiom is the property of Axiom Global, Inc. which is a C corporation incorporated in the State of Delaware.<sup>xcvii</sup> Mark Harris founded Axiom in 2000.<sup>xcviii</sup> The company employs over 600 attorneys and has become major disrupter in the legal market evidenced by the fact that nearly half of the Fortune 100 is working with Axiom.<sup>xcix</sup>

Axiom's philosophy is not just about rethinking the structure of a law firm, but completely reimagining how legal services are delivered and provided to corporations and in-house counsel. In an essay written by Mark Harris, he says, "The right question to start with is not 'How are law firms planning to adapt?' but who actually decides what the industry will look like."<sup>c</sup> He believes the changes in the legal industry will end up being bigger than reshaped law firms because the winners and the solutions will be decided by the general counsel of the largest 5 percent of corporations and who they choose to hire.<sup>ci</sup> Axiom strives to attract the attention of these GCs and meet their needs in a way that is entirely different than the traditional law firm approach. Mark Harris' view is that the key is appealing to how general counsel run their in-house legal departments.<sup>cii</sup> As general counsel use segmentation to decide how each legal matter can be most efficiently and cheaply

solved by doing it in-house or going outside, Axiom wants to be there to play a role no matter what the general counsel decide.

The biggest structural difference between Axiom and the traditional law firm model is that Axiom is not a law firm. The website makes this clear in the disclaimer saying, “Axiom is not a law firm and does not provide legal representation or advice to clients.<sup>ciii</sup> The site also states that no attorney-client relationship is formed when a client contracts with Axiom.<sup>civ</sup> Axiom cannot provide direct legal representation because it is organized as a C corporation instead of a partnership. Nevertheless, because it is structured as a corporation, Axiom can have shareholders and investors. To date the company has raised \$33 million in capital from private equity funding.<sup>cv</sup> This ability to raise capital allows the company more freedom to innovate and find new ways to provide legal services to in-house counsel than traditional partnership firms can. Also, being structured as a corporation gives Axiom an insight into how client’s businesses operate that lawyers in traditional firms do not have.

Axiom provides services in three different forms: insourcing, outsourcing, and projects. Insourcing is what Axiom calls their seconding of lawyers. If an in-house counsel needs another attorney to work in-house with them, Axiom can provide a temporary secondment attorney to meet that requirement without the client having to make a fixed investment in hiring a person directly for their company.<sup>cvi</sup> Axiom’s secondment attorneys can be part-time or full-time and be onsite with the client or remote.<sup>cvi</sup> It has attorneys ready to join a client’s in-house department for virtually every legal area of practice including transactions,

regulatory and compliance, litigation, life sciences, intellectual property, financial services, and employment. The benefit of this service is that in-house counsel can bring in an Axiom attorney to work on an area and if it turns out it is not a financially good move, they can cancel the contract for the attorney. The drawback for in-house counsel with this unique legal service is that Axiom is not legally responsible for their attorneys if they commit malpractice.<sup>cviii</sup>

Axiom's outsourcing service is where clients want to engage Axiom attorneys for complete soup-to-nuts management and delivery of specific legal processes.<sup>cix</sup> These processes can include commercial contracts, derivatives agreements, or patent procurement.<sup>cx</sup> Axiom's attorneys and project managers work offsite from the client's premises at one of Axiom's office locations.<sup>cxii</sup> Axiom has two phases for this type of service. First, a solution design team handles the set-up phase in which Axiom employees collaborate with the client to audit all of the client's legal support services in association with the matter and segment the services in a way that saves the client money.<sup>cxiii</sup> The solution design team can include technologists, process engineers, management consultants, and expert lawyers.<sup>cxiiii</sup> The second phase is delivery in which a team of legal professionals works for the client and provides services through the completion of the matter.<sup>cxv</sup> This service allows in-house counsel to hand over an entire legal process to Axiom attorneys and still be involved and kept up-to-date throughout.

Finally, Axiom's last legal service offered is its Managed Products service. This is a service in which Axiom attorneys will take on the biggest and most complex legal projects including discovery for litigation and complex contracts.<sup>cxvi</sup> For

example, Axiom provided the staff for a spin-off of a substantial business unit for a Fortune 100 foods manufacture.<sup>cxvi</sup> The spin-off required collection and review of almost 30,000 contracts and subsequent solicitation or re-negotiation with counterparties.<sup>cxvii</sup> Axiom provided the company with senior negotiation attorneys to handle the contracts and technologists who created a management system to monitor the project.<sup>cxviii</sup> Axiom estimates that it saved this particular client at least \$6 million on this project compared to what the client would have spent at a traditional firm. Axiom can provide this amount of savings because it can supply a team that can scale to meet a project's demands when necessary and apply cost efficiencies at the same time.<sup>cxix</sup>

Axiom has completely rethought how legal services can be delivered. It is a business model in which corporate clients and their in-house counsel can hire a team of attorneys and other professionals when they need them but do not have to pay for them when the matter is finished. General counsel can supplement their own staff with an Axiom attorney or hand over a whole project to a team of attorneys that will find the most efficient and cost saving way to accomplish the task.

### **Conclusion**

The Great Recession brought about changes for corporations and in-house counsel, forcing them to cut legal expenses. Traditional law firms reacted by offering fee reductions, general deductions, and half-hearted alternative fee arrangements. A few firms and legal businesses have approached the recent

changes as an opportunity to re-imagine how law firms should be structured and legal services delivered. These are the so-called “new model” firms. Riverview Law, SeyfarthLean, Crowell & Moring, Valorem Law Group, and Axiom provide examples of different approaches of how the new model might look and how outside counsel will provide legal services to corporations in the future.

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<sup>i</sup> BRUCE MACEWEN, GROWTH IS DEAD NOW WHAT? 2, 3 (2013).

<sup>ii</sup> MICHAEL H. TROTTER, DECLINING PROSPECTS: HOW EXTRAORDINARY COMPETITION AND COMPENSATION ARE CHANGING AMERICA’S MAJOR LAW FIRMS 116 (2012).

<sup>iii</sup> *Id.* at 117.

<sup>iv</sup> Jessica K. Hew et al., *Has the News of the Death of the Billable Hour Been Greatly Exaggerated?*, ABA SECTION OF LITIGATION (Aug. 8 2013)  
[http://www.americanbar.org/content/dam/aba/administrative/litigation/materials/aba-annual-2013/written\\_materials/1\\_1\\_has\\_the\\_news.authcheckdam.pdf](http://www.americanbar.org/content/dam/aba/administrative/litigation/materials/aba-annual-2013/written_materials/1_1_has_the_news.authcheckdam.pdf).

<sup>v</sup> *Id.*

<sup>vi</sup> Patrick J. Lamb, *Why clients fear alternative fee arrangements*, THE NEW NORMAL BLOG (Feb. 27, 2013, 8:30 AM)  
[http://www.abajournal.com/legalrebels/article/why\\_do\\_general\\_counsel\\_fear\\_alternative\\_fee\\_arrangements/](http://www.abajournal.com/legalrebels/article/why_do_general_counsel_fear_alternative_fee_arrangements/).

<sup>vii</sup> *Id.*

<sup>viii</sup> *Alternative business structures*, The Law Society (July 22, 2013)  
<http://www.lawsociety.org.uk/advice/practice-notes/alternative-business-structures/>.

<sup>ix</sup> *Id.*

<sup>x</sup> *Id.*

<sup>xi</sup> *Id.*

<sup>xii</sup> *Id.*

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