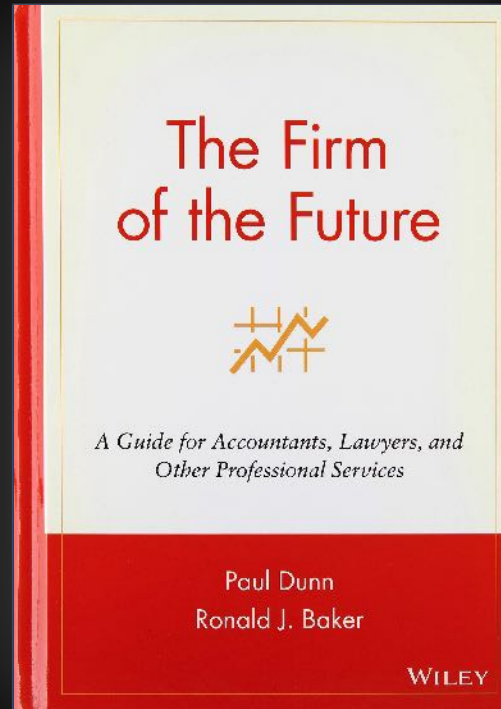


Ten years and still no real change in sight –  
reflections on the law firm business model

**Friedrich Blase**

2003





Leif  
Edvinsson

# Intellectual Capital

```
graph TD; IC[Intellectual Capital] --> BR[Business Recipe]; IC --> SC[Structural Capital]; IC --> HC[Human Capital]; IC --> RC[Relational Capital]; SC --> P[Processes]; SC --> TW[Thoughtware]; HC --> D[Delivery]; HC --> M[Management]; RC --> N[Network]; RC --> B[Brand]; RC --> C[Clients];
```

**Business  
Recipe**

**Structural  
Capital**

**Human  
Capital**

**Relational  
Capital**

Processes

Thoughtware

Delivery

Management

Network

Brand

Clients



**P+L Accounts**

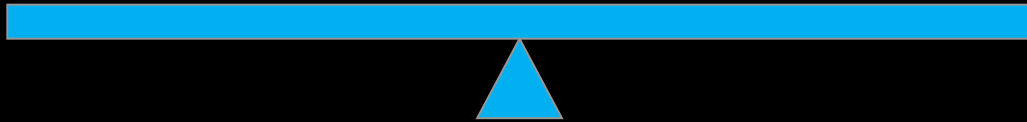
**Resources  
Deployed**

**Optimal Asset Utilization**

**Optimal Asset Renewal**

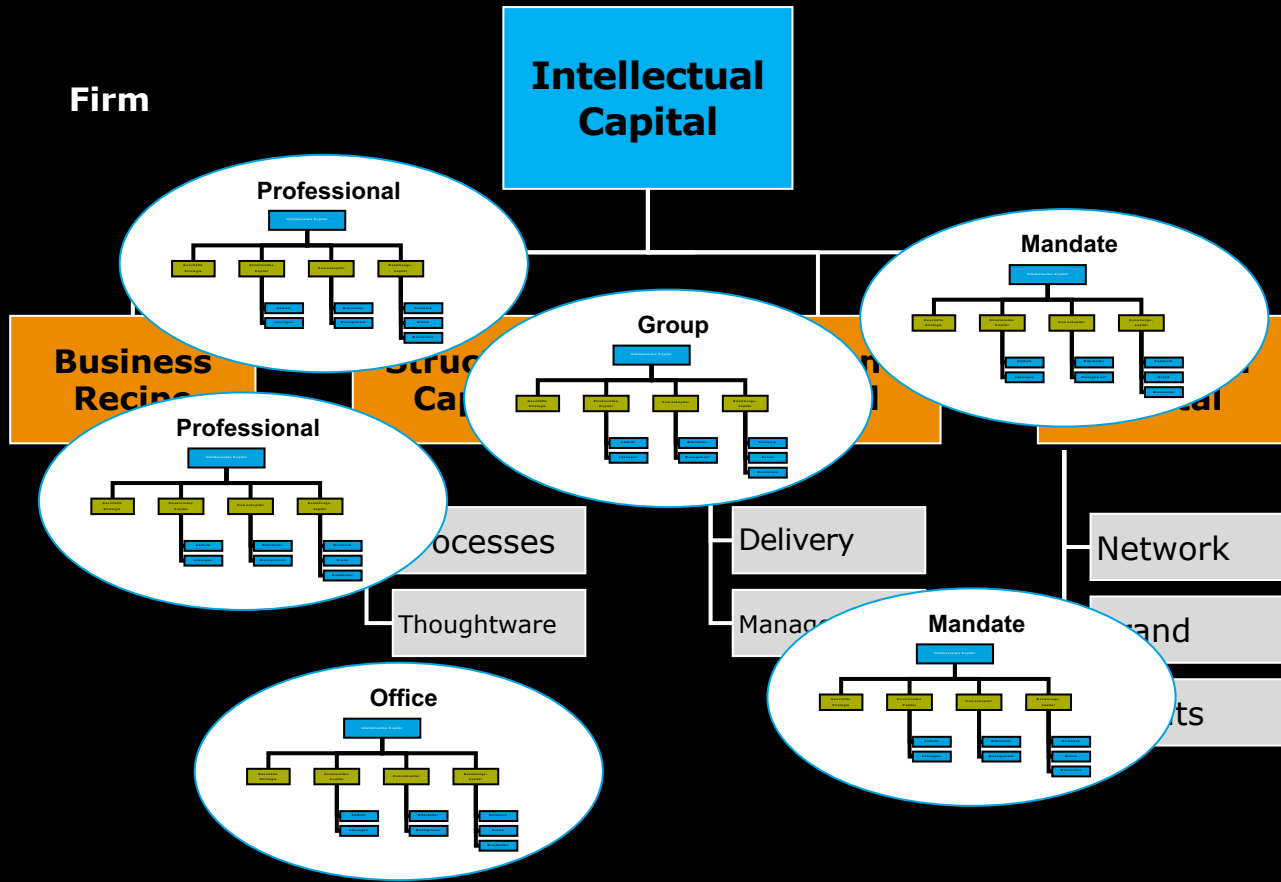


**Balance Sheet**



Firm

# Intellectual Capital



Professional

Mandate

Group

Business  
Recip

Struct  
Cap

Professional

Processes

Delivery

Network

Thoughtware

Mand

and

Office

Mandate

ts

... professional services firms  
are inherently un-firm.

**In that lies opportunity.**

LEGAL RECRUITERS

## Sea Shift in the Business of Law

Small firms, led by legal entrepreneurs, form a highly compelling business model.

Ron Gruner and Friedrich Blase

May 4, 2009

Legal industry observers have speculated about whether the challenges of these times will cause a profound change in the way the business of law is conducted. Most of the discussion focuses on the wrong drivers of that change. It is neither economic distress nor frustrated clientele that will affect change. They are merely catalysts.

Enterprising lawyers who form new businesses that are irresistibly attractive to both clients and talent alike likely will drive fundamental change.

Not since the business of Big Law surfaced more than 30 years ago have such favorable circumstances existed to rethink and reorganize the process by which law is practiced. It will take entrepreneurs to act on these opportunities and give rise to what one might call the New Law.

NLJ 2009



4

Alternative Fee Structures

Project/Process Management

Lower Cost Delivery Options

Technology-Assisted Practice

# Alternative Fee Structures

## INTERVIEW

### „Der Reset-Knopf ist die Wunderwaffe“

In den USA sind Alternativen zum klassischen Stundensatz-Modell auf dem Vormarsch. Friedrich Blase, Strategiechef der New Yorker Kanzlei Holland & Knight, über die Probleme mit der Preisfindung und den Reiz von Dumping-Angeboten.



FOTO: EDGE INTERNATIONAL

**JUVE: Wie weit verbreitet sind Alternative Fee Arrangements im US-Markt?**

**Dr. Friedrich Blase:** Honorarvereinbarungen, bei denen die aufgewendete Zeit nicht ausschlaggebend ist, gab es immer schon bei verschiedenen Deals und in einigen Streitverfahren. Aber sie nehmen zu. Doch die Entwicklung ist nicht so gigantisch, wie man sie in den Medien oft darstellt.

Da muss viel experimentiert werden.

**Wird Ihre Kanzlei häufig gebeten, solche Abrechnungsmethoden anzubieten?**

**Friedrich Blase** ist Rechtsanwalt und seit Mai 2010 Director of Strategic Initiatives bei Holland & Knight LLP in New York. Damit ist er innerhalb des Führungsteams der gut 1.000 Anwälte großen US-Kanzlei für die Entwicklung insbesondere in den Bereichen Client, People und Product Development verantwortlich. Nach mehrjähriger Beratung größerer Anwaltskanzleien zunächst in Europa und seit 2005 in Amerika entschied er sich nun für eine „Inhouse“-Aufgabe in der Kanzlei, um nach eigenen Worten „die enormen Veränderungsprozesse enger mitgestalten zu können“. Nebenbei lehrt er u.a. im Leadership Program der Bucerius Law School, Hamburg.

Kanzleistrukturen profitabel umsetzen können. Sie brauchen für ein Fixum ein ganz anderes Projektmanagement, andere Anreizstrukturen, andere Einstellungen und Fertigkeiten der Mitarbeiter und des Managements.

**Inwiefern fordert ein solches Mandat eine andere Herangehensweise des Managements?**

Ein solches Mandat berührt jeden Aspekt von Kanzleiemanagement. Aber die wahrscheinlich

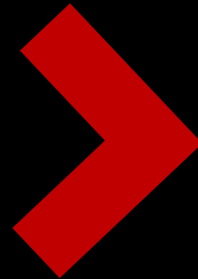
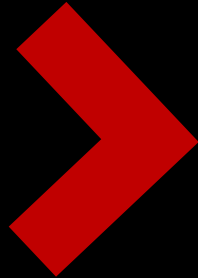
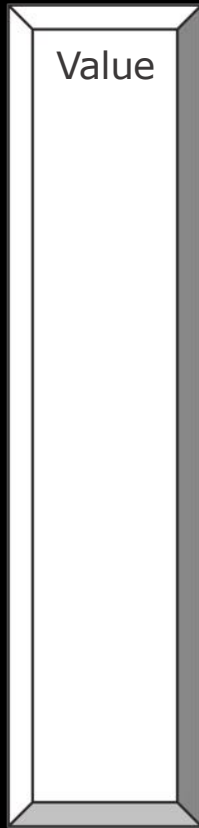
tiefgreifendsten Erfahrungen lagen in der Preisbildung. Wir hatten ja nur wenige Wochen für das Angebot und haben unter Hochdruck Rechenmodelle gebaut, um das monatliche Fixum festzulegen. Wir haben uns reich, arm und wieder reich gerechnet. Unsere herkömmlichen Daten sind da nur bedingt hilfreich, weil sie uns nur erklären, zu welchen Kosten wir mit Stundensatz-Mentalität gewisse Aktivitäten erledigt haben. Das ist die Kostenseite. Aber richtig spannend wird es,

wenn ich von Mandatsentsicht Pricing betriebe und

JUVE 2010



**Client**



**Firm**

Alternative Fee Structures

**Project/Process Management**

# **Project Management: Myths, Reality and Why We Should Care**

Friedrich R. Blase, the director of strategic initiatives for Holland & Knight, and Elizabeth A. Crispino and Melissa A. Holyoak, managers of projects and innovation for the firm, write: During this time of economic volatility and uncertainty, most or all major law firms have been addressing a number of tough issues, and have turned to project management as a savior. But firms, clients and market observers have been disappointed by the results so far. Whether there are misconceptions, faulty expectations or lack of understanding, there are many possible culprits for these less than stellar results.

NYLJ 2011





## **Good process / project management requires:**

- ❑ working with large, existing clients (not new ones)
- ❑ on sizable processes/projects (not small ones)
- ❑ with a project manager in charge (not the partner)
- ❑ to execute a business plan that aims to make money (not hoping to not lose your shirt)
- ❑ while leadership is committed to protect the downside (not on the fence about the initiative).

Alternative Fee Structures

Project/Process Management

**Lower Cost Delivery Options**

# Forum Magazine: Co-Opetition? What Will the Future Hold for “Traditional” and “Alternative” Legal Service Providers?

Forum Magazine January 5, 2017

Topics: Alternative Legal Service Providers, Efficiency, Forum Magazine, Law Firms, Legal Innovation, Thomson Reuters



Law thrives on definitions, categorizations and rules versus exemptions. This shapes the terminology lawyers use for their business concepts such as “alternative fee arrangements” or “alternative business structures” by which “nonlawyers” can share in profits generated from the provision of legal services. The most recent darling of “nontraditional” concepts is the rise of “alternative legal services providers,” often abbreviated as “ALSPs.”

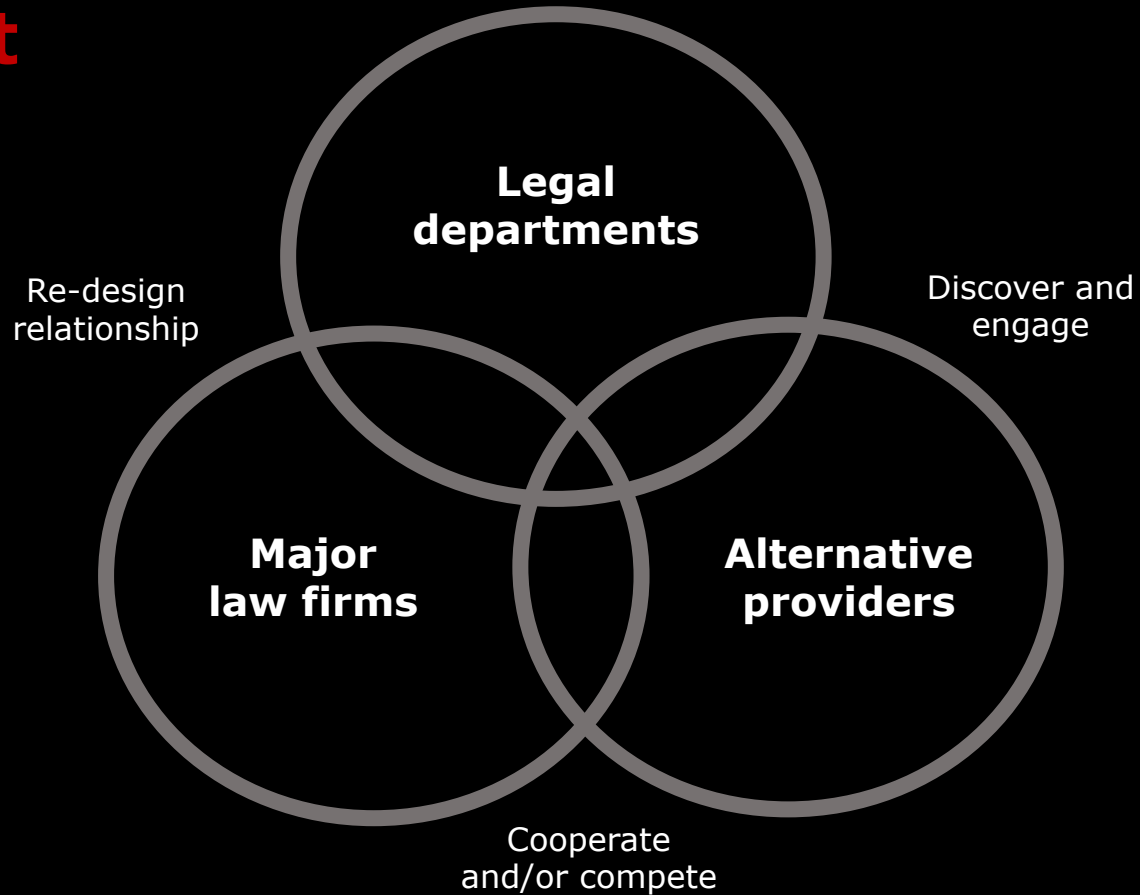
It is somewhat congruent that a definition of ALSPs which expands beyond the delimitation from “traditional” providers, *i.e.*, law firms, is hard to come by.

Early examples of ALSPs that emerged about 10 years ago were today’s brand names like Axiom and Pangea3®, who provided certain legal services without practicing law or being a law firm. Plenty more players followed in their footsteps, especially in the electronic discovery support and legal process outsourcing spaces. Nowadays, the ALSP spectrum must include technology solution providers who offer to automate certain legal services or augment and upgrade the human tasks involved in them.

TR Forum 2016



# Present



# Future

Which business is in  
the business of running  
a legal department?

Alternative Fee Structures

Project/Process Management

Lower Cost Delivery Options

**Technology-Assisted Practice**



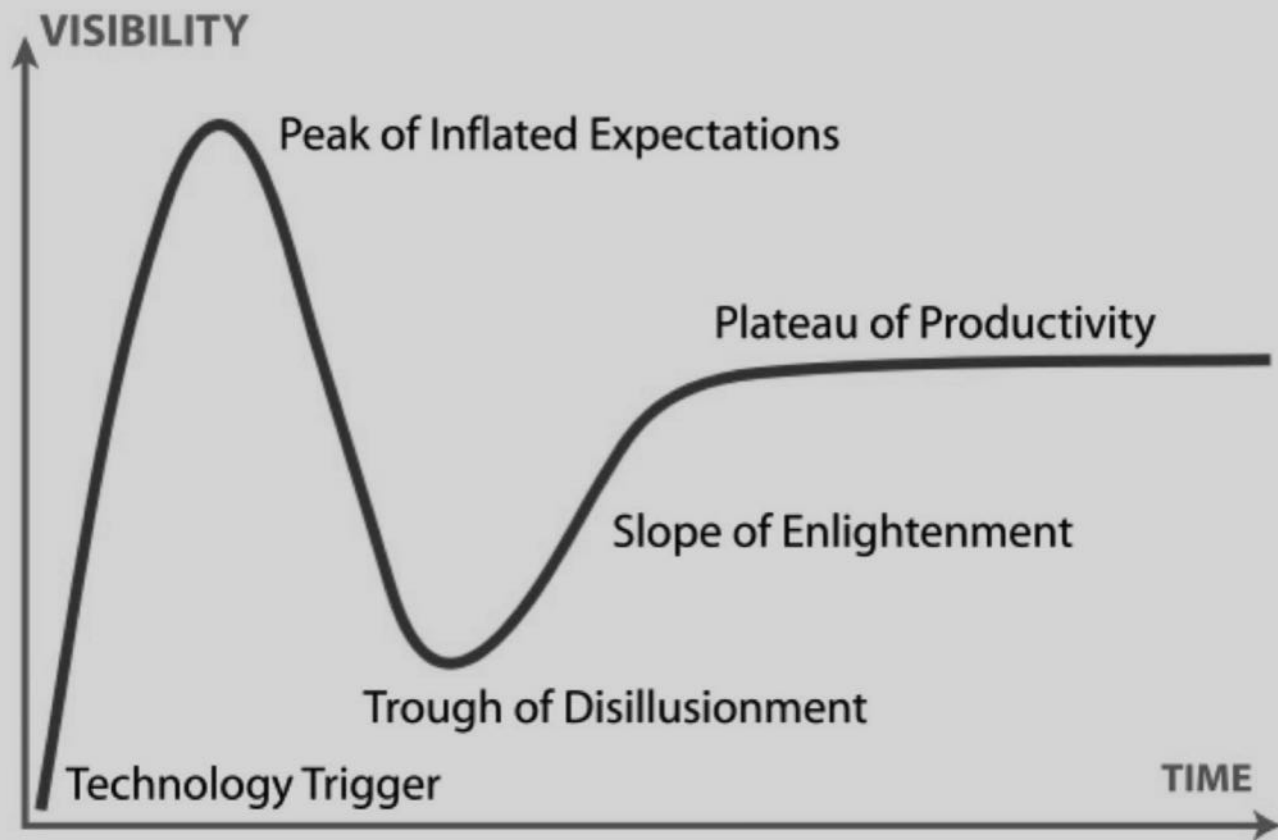


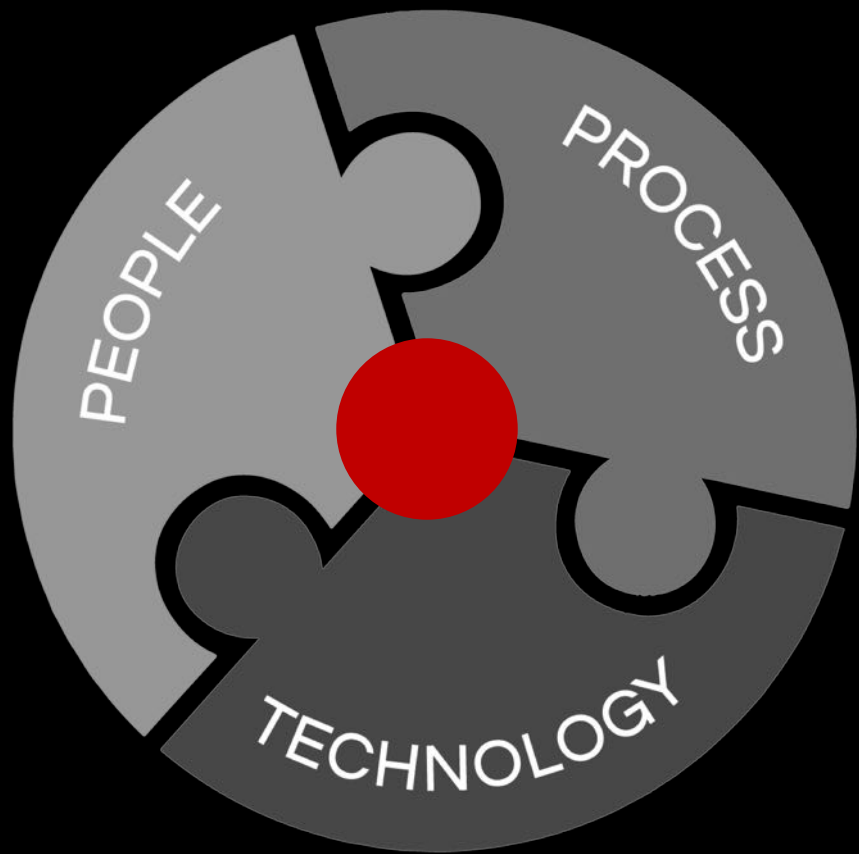
**EVALUATING AI  
AND ML TOOLS,  
ONE COMPARATIVE  
TRIAL AT A TIME**

BY FRIEDRICH BLASE

LegalIT Today 2019

# Gartner Hype Cycle







Ships are safest in the harbour.

**But that is not  
what they were built for.**

