

At Levenfeld Pearlstein, Executives Lead Lawyers to Innovation, Better Metrics

By Lizzy McLellan

Firm Name: [Levenfeld Pearlstein, LLC](#)

Firm Leader: [Angela Hickey](#), CEO

Head Count: 67 attorneys

Locations: Chicago, Northbrook

Practice Areas: Full-Service

Governance structure and compensation model: Professionally managed law firm. Merit-based, subjective compensation system.

Do you offer alternative fee arrangements? Yes

The following answers were provided by Hickey. They were edited lightly for style.

What do you view as the two biggest opportunities for your firm, and what are the two biggest threats?

Our largest opportunity is in leveraging the client experience strategy of our firm. Every layer of our infrastructure begins and ends with the experience of our clients. Messages, strategy, and resources are aligned so that our clients actually experience what we profess to deliver. Executing a client experience strategy was a Big Hairy Audacious Goal (that's BHAG for all of the Jim Collins fans out there) envisioned a decade ago that continues to pay in spades for the focus, discipline, and commitment necessary to bring it to life.

Our second largest opportunity is in investing in and engaging our talent pool at all levels. We can only execute on

our client experience strategy through our people and that includes all of our people (not just the lawyers). We are just as committed to the experience of our employees as we are to the experience of our clients. When employees are appreciated and engaged, they have an enormous capacity to contribute and innovate. The results are astounding.

Our largest threat is a mindset of scarcity. I think the study of law prepares lawyers to consider all of the possible negative outcomes and to protect against them. It is a constant battle to deploy change management and acceptance techniques to an audience that is naturally suspicious of anything new. One of my most important responsibilities as CEO is to create a structure that invites innovation and respectful dialogue, and that encourages people to experiment with their ideas. I wouldn't even call a close second to this threat. It is our largest challenge—period.

The legal market is so competitive now—what trends do you see, and has anything, including alternative service providers, altered your approach? Is your chief competition other mid-market firms, or is your firm competing against big firms for the same work?

Many of the ASPs were originated by professionals who work within the legal system and saw an opportunity to



Angela Hickey, CEO of Levenfeld Pearlstein

improve an aspect of the legal service delivery model. It speaks to the enormous lack of agility that exists in law firms that so many ASPs exist. Law firms are competing not only for clients but also for talent. Another unfortunate market trend involves the marginalization of women attorneys. That a majority of the female attorney population leaves the practice of law before the first decade of practice is both a significant problem as well as a huge opportunity for firms that can find a way to retain all of its talent.

Our competition varies by practice area. The overall size of firm is generally not an indicator of our competition; rather, it is the depth, experience, and approach of each practice as compared to various practices in other firms.

Having stated the above, our largest competitor is innovation itself. Firms that

figure out how to retain talent and deliver the greatest value to clients win. We are dedicated to doing both at LP and have invested in a platform that embraces innovation and inclusion.

There is much debate around how law firms can foster the next generation of legal talent. What advantages and disadvantages do midsize firms have in attracting and retaining young lawyers, particularly millennials?

Smaller and midsize firms have the advantage of flexibility to tailor resources, approaches, and experiences to a law firm's only asset—people. As experiences become more customized and tailored, flexibility becomes more necessary, valuable, and advantageous in a competitive market. Talent today, perhaps driven by millennials, but certainly not limited to them, demands an individually crafted investment plan. I also think there is a power play in many law firms where the old guard is slow to recognize, appreciate, or support the necessity for agility and flexibility. The stakes are very high and are likely to determine the very existence of many firms in the next decade.

Does your firm employ any nonlawyer professionals in high-level positions (e.g. COO, business development officer, chief strategy officer, etc.)? If so, why is it advantageous to have a nonlawyer in that role? If not, have you considered hiring any?

I am a law firm Chief Executive Officer and my team includes a Chief Financial Officer, a Chief Operations Officer, a Chief Business Development Officer, and a Chief Talent Officer. None of us has a law degree (we have plenty of other degrees). Our firm outperforms its peers on virtually every metric. I don't think this is a coincidence. Law firms are complicated businesses and are missing a significant

opportunity when they are managed by consensus and by committees, especially when the decision makers are not trained or fully available to commit to the role. There are extremely talented executives in our industry and it is a shame to see their talent underutilized. To pick up on a popular Steve Jobs quote, "Don't hire smart people and tell them what to do. Hire smart people so they can tell you what to do." Amen.

On another note, can our industry PLEASE stop saying "nonlawyer?" It is more than just an annoyance. Referring to someone as non-anything indicates that the person is starting from a position of weakness. This one small change may serve to turn the attention away from what highly talented people are not and toward what they can actually do. This shift may help lawyers-in-charge appreciate that we likely already have the tools available to deal with market demands and opportunities, if only we could see and deploy them. More than most other industries, ours should appreciate that words matter. We do not refer to hospital executives as "non-doctors." How about just saying, law firm executives?

What would you say is the most innovative thing your firm has done recently, whether it be technology advancements, internal operations, how you work with clients, etc.?

We are a firm that regularly examines what innovation really is, and, importantly, that rewards for innovation. Our firm has a reputation for being progressive. By other industry standards, I would say that this reputation is undeserved. However, by legal industry standards, it is apropos and we wear it proudly. I think that the most innovative thing we have done is model a client experience strategy on proven practices outside of our industry. Specifically,

we studied client experience execution plans at Disney, Southwest Airlines, Nordstrom, the Mayo Clinic, Zappos, and other companies outside of legal to adapt the principles of client experience for the benefit of LP clients. We continue to follow and participate in the CX community. The best strategies start and end with the voice of the client and are simple, even if they are hard.

Does your firm have a succession plan in place? If so, what challenges do you face in trying to execute that plan? If you don't currently have a plan, is it an issue your firm is thinking about?

Yes, our succession plan is more than 10 years strong and was implemented before any of our partners were old enough to need it. It's not that we were necessarily more enlightened than other firms. Rather, we responded to what we saw in the marketplace. LP was the benefactor of recruiting many talented laterals who left their firms because there was no succession plan in place. We did not want to be one of those firms. So, early on we invested the time and energy in hashing out some of the tough succession issues that many firms are dealing with today. Many surveys indicate that a lack of succession plan is a primary challenge of most law firms, particularly at the small and midsize tier (which happens to be most law firms). I imagine that it would be very difficult to develop a succession plan precisely when those whose time has come to transition relationships may not be ready to let go.

Lizzy McLellan writes about the Pennsylvania legal community and the business of law at firms of all sizes. Contact her at lmclellan@alm.com. On Twitter: @LizzyMcLell