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## Role Model

### ***Could novel law firm positions help take operations to the next level?***

**Nearly a decade ago, chief executive officers without a legal background were an anomaly in law firms — that is, until firms began incorporating them to provide operational insight. Today, a number of firms are again adding inventive new roles to their roster — functions that often focus on improving client relations, efficiency and, ultimately, profitability.**

With firm revenues rising — on average, by 8% in 2018, according to AmLaw 100 data — it's only natural firms would place an increased emphasis on management, says Melissa Frederickson, Division Director for Law Firm Management at Special Counsel. Frederickson was hired last year to run the new division, which the consultant created to recruit candidates for law firm business positions.

"The huge money firms are seeing has prompted them to realize while they may be the experts at litigation, they're not the expert at bringing in business, running the firm or the financials," she says. "The focus now is on finding people who can assist and further the business. We're seeing a lot of new positions; that's a huge shift we'll continue to see."

### **DIFFERENT DESIGNATIONS**

Changing client needs have inspired a number of new technology- and legal-oriented industry roles, according to Joe Palermo, Chief Operating Officer (COO) at 350-attorney national law firm Lowenstein Sandler — which in recent years has added a chief marketing officer, pricing director and director of knowledge management.

"Clients are looking for more value, and we're looking for ways to add that to our suite of services so we feel we understand their business and challenges," Palermo says. "The business of law has become more and more complex, and investing in professionals who know how to manage these systems will continue to be a focus for us and should be for other firms."

“As the tech leadership role — once seen as having more of a system management focus — has expanded to encompass heightened security, application development and other needs, its title has also evolved.”

Clients may be eager to have someone help oversee pricing and other engagement elements. Legal departments ranked better project management as the second highest innovation priority they'd like to see from law firms. More than a quarter viewed it as a high priority.

While some positions firms incorporate, such as benefits manager, may center on tasks one or more firm members previously handled, others — risk and compliance manager, for example — often address primarily new or escalating operational necessities.

Some of the functions that are cropping up within law firms include:

### Technology/Innovation Officers

Aside from the chief executive officer, chief operating officer and chief administrative officer roles, chief information (CIO) or technology officer (CTO) is the most popular C-suite position within AmLaw firms, according to research from Colliers Law Firm Services Group. The research also found firms with a CIO or CTO experienced higher profits per equity partner on average — more than \$209,000 — than firms without one.

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Last year, Lowenstein Sandler brought on ALA member Victor Barkalov, a former firm CIO and Chief Digital Officer, as its first Chief Innovation and Information Officer, supervising technology, data security, knowledge management and legal research strategy and execution, in addition to driving innovation throughout the firm.

"We kicked around whether or not we wanted to call him Chief Information Officer," Palermo says. "The firm wanted to convey in his title that he not only has to come up with innovative ways of using technology with clients, but also needs to do the traditional stuff, in terms of managing infrastructure, making sure his internal clients have what they need to service external clients."

The firm also recently added a director of physical and cybersecurity to help prepare it to respond to both cyberthreats and client security inquiries, according to Palermo.

"Client surveys are certainly getting more specific, and client requests are getting more serious in terms of what they're looking for us to do [when] managing their data," he says. "We want to be able to satisfy whatever the requests are."

### Legal Operations, Project Management and Pricing Jobs

Roughly a year ago, Jared Applegate, who'd been serving as 600-attorney firm Barnes & Thornburg's Pricing Director, began heading up the firm's new Legal Operations Department as Chief Legal Operations Officer.

Applegate says the role was created to address common client challenges and internal process needs. These can range from using technological tools to help provide clients with alternative fee arrangement pricing predictability to the firm's use of document automation to increase efficiency.

"Four to five years ago, you started to see RFP questions like, 'Do you have somebody in pricing? How often do you use AFAs [alternative fee arrangements]?' " he says. "Creation of fee arrangements and client service-driven activities had fallen on attorneys to manage; for us, [that's] a natural fit."

While years ago it may have been unheard of to have a business professional leading client discussions, firms are seeing the value in that type of role, Applegate says.

"The way we address and talk to clients is different," he says. "We're asking a lot of questions to understand their business issues or processes and then fix those with legal solutions. That's been a powerful shift that's happened over the last couple of years in the legal market."

A 2019 Corporate Legal Operations Consortium survey suggests that clients may be eager to have someone help oversee pricing and other engagement elements. Legal departments ranked better project management as the second highest innovation priority they'd like to see from law firms. More than a quarter viewed it as a high priority.

A number are also still interested in alternative fee arrangements; 55% said they use them to lower external costs.

AFAs' popularity prompted multiservice law firm Goulston & Storrs to add a Chief Value Officer role, according to Co-Managing Director Bill Dillon. In 2018, the firm appointed Christopher Ende, a former in-house legal operations leader, to oversee strategic initiatives relating to pricing structures, legal project management, practice innovation and profitability analysis.

In addition to working constructively with clients on tailored pricing solutions and service delivery models, Ende's role has provided additional benefits, according to Dillon.

"I've realized how interconnected the value role is with almost all other business operation areas," he says. "Folks [are] creating connections between things like professional development, how we staff [engagements], how that plays into pitches, what analytics we run to support all of the above. On one level, that's not a revelation. On the other, it's still hard for people to connect those dots."

### Chief Talent Officers

Neha Shah Nissen, a former practicing attorney and practice management director, developed Fenwick & West's new chief talent officer position with the firm's chairman and COO while working as an adviser to the firm. She stepped into the role herself in February 2020.

"Fenwick structured the position basically to oversee recruiting, legal personnel and development, diversity and inclusion, and corporate social responsibility and pro bono [work]," she says. "It's a unique position that allows me to take a holistic view of the life cycle of attorneys at the firm."

Nissen says Fenwick recognized that, with the changes the legal profession has undergone in the past decade in addition to a COO leading the firm's functions, it needed someone to be looking at talent across the board.

"Ten years ago, a lot of talent positions played more of an administrative type of role," she says. "Clients are looking to their law firms to be not just legal advisers, but business advisers, as well. The business of law requires our talent to be at their very best to respond to clients' needs and expectations."

## ACQUIRING AN IDEAL FIT

New roles in the emerging legal jobs space don't always feature as much standardization as the industry's more traditional titles; as a result, the names can vary, Frederickson says.

"You have to really have an independent conversation with the client to see what they're really getting at," she says. "Sometimes you have to search for the right person with a title that is more common."

Further complicating talent searches, candidates may sport the right skills for a newly created role — but never have worked for a law firm. Organizations that are willing to expand what they're looking for and potentially invest in training will have more options, Frederickson says.

"[Law firms'] preference is law firm experience, but sometimes you just can't find that," she says. "We can be creative about thinking about what transferrable skill set [allows someone] to move to the next level. Sometimes it's a stretch position, taking someone from office manager to director of administration, [or] a younger rock star in the making [who], even with a lack of experience, is going to be great."

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Given that today's tight talent market can mean employees have the option to make 25% to 100% more at another legal job, Frederickson says, expect to see firms also focus on adding positions that relate to the employee experience — not just employee management — to bolster retention.

Nearly 8 in 10 (76%) lawyers said they were concerned about losing legal talent to other job opportunities in the first half of 2020, according to a Robert Half Legal survey.

"The next roles we'll see an area of explosive growth will be in relation to making people happy," Frederickson says. "Realistically, happy people lead to dedication and, ultimately, more money. Law firms are realizing people are the firm's biggest asset. If you can't obtain and maintain new talent, you're going to go out of business."

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### Get More on This Trend

For a more in-depth read on this, ALA recently published a white paper "*The Changing Role of Law Firm Leadership*." Find it here: [alanet.org/whitepapers](http://alanet.org/whitepapers).

### ABOUT THE AUTHOR

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