



Meritas – Law Firms  
Worldwide

Canadian Regional  
Conference

Regina

February 29, 2008

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## Roadmap

### Trends & Issues

Shareholder Wealth

Sophisticated Clients

Competition

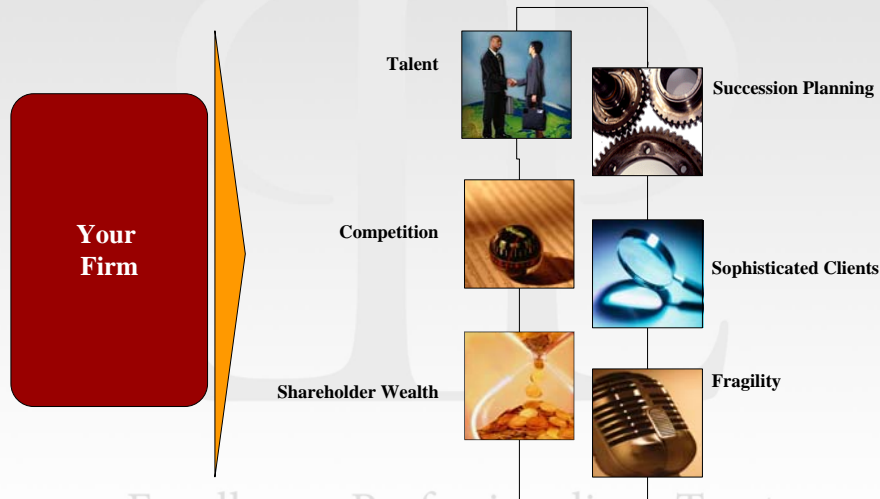
Talent – the Perfect Storm

Fewer Tightly-knit Firms

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## Issues & Trends



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## Shareholder Wealth

- Increased pressure
- Financial planning of / for partners
- Limited levers of profitability
- Pressure on the model

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## Increasingly Sophisticated Clients

- Demand - Businesses, Government & the Public
  - Better informed
  - More demanding
  - Litigation brokers (USA)
  - Increased reporting
  - Increased accountability
  - Service provider vs. Trusted advisor

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## Competition

- Competition Bureau Report December 07
- Overlapping Services
  - Paralegals
  - Notaries
  - Mediators
  - Arbitrators
- Supply – 72,000 lawyers in Canada
- Increased mobility

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## Competition

- “Allowing foreign lawyers to act as legal consultants would provide for greater competition...”
- “Law societies should remove the residency requirements for foreign legal consultants. Local presence should not be necessary.”

Source: Competition Bureau Report  
December 2007

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## Response to Competitive Forces

- Strategic Imperatives
  - Focus & Differentiate
  - Culture
  - Direction
  - Leadership
  - Innovation
    - Partnering with clients

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## The Perfect Storm

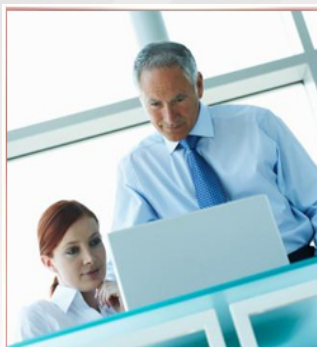
- Generational Shift
- Women
- X & Y



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## The Perfect Storm – Generational Shift



- “Succession is about weathering the storm of generational shift. It’s about how *organizations* weather this storm, not individuals.
- The shifting individuals *are the storm.*”
- Paul H. Burton

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## The Perfect Storm - Women

- Over half of law students are female
- Over 60% new trainees\* are female
- 42.5 %(UK), 45%(US) of practising lawyers are women
- 23% of partners are women\*
- 16% (UK & US) of equity partners in top 100 firms are women\*

1 in 2

1 in 6

\*Source: UK Department of Constitutional Affairs Working Group Report Nov 2006  
Law Society Annual Statistics 2006  
Legal Business Nov 2006

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## The Great Divide

Year of Birth	Who are they?	Views on Leadership	Views on Authority	Views on Balance
1922 - 1945	<b>Pre-Boomers</b> <i>Sr. Partners</i>	Hierarchy	Respectful	Don't get it
1946 - 1960	<b>Baby Boomers</b> <i>Leaders</i> <i>Partners</i>	Consensus	Love/Hate	Don't need it
1961 - 1979	<b>Generation X</b> <i>Junior Partners</i> <i>Sr. Associates</i>	Competence	Not intimidated Not impressed	Crave it
1980 - 1995	<b>Generation Y</b> <i>Associates</i> <i>Students</i>	Pulling Together	Polite	Insist on it

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## The Great Divide

Year of Birth	Who are they?	Value from the firm	Work Ethic	Messages that Motivate
1922 - 1945	Traditionalists <i>Law Firm Leaders</i>	Loyalty Stability Relationships	Dedicated	"It's valuable to hear what has and hasn't worked in the past."
1946 - 1960	Baby Boomers <i>Law Firm Leaders/Senior Partners</i>	Profit Reputation Consensus	Driven	"You're valued here." "We need you." "You can make money here."
1960 - 1979	Generation X <i>Associates Junior Partners</i>	Resources Feedback Room for independence	Balanced	"Do it your way." "Not a lot of rules here." "we're not very corporate."
1980 - 1995	Generation Y <i>Associates Students</i>	Structure Supervision Clear strategy Competence	Determined	"You'll be working with other bright, creative people here." "You can be a hero.."

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## Talent

- Recruitment
  - Making promises
- Retention
  - Keeping promises
- Alumni
  - Retaining relationships

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## Talent

### KPMG to pay workers overtime

BY RICHARD BLACKWELL

Accounting giant KPMG LLP said yesterday that it will compensate its employees who should have been paid for the overtime they worked over the past eight years.

KPMG was hit with a class-action lawsuit on the overtime issue last fall, and that case is still before the courts. The complaint said the company forced hundreds of employees to work several hours a week in unpaid overtime to keep clients happy.

But KPMG said yesterday that it has now begun to put in place a plan to redress employees for unpaid overtime "as soon as possible" at a cost of up to \$10-million.

Under the plan, the company said, current and former employees who are eligible will be "fully and fairly compensated, according to the relevant provincial laws," for all overtime since Jan. 1, 2000, that was earned but unpaid.

An independent third party will administer the plan, by writing to employees and putting ads in newspapers this weekend and next week.

**We very much regret that we did not pay overtime when it was earned by current and former employees. ... It should not have happened.**

KPMG chief executive officer Bill MacKinnon

"At the time we learned of the allegations in the class action, we promised a thorough review of our work practices," KPMG chief executive officer Bill MacKinnon said in a statement. "We very much regret that we did not pay overtime when it was earned by current and former employees. ... It should not have happened."

The company said putting the plan in place is not an admission of liability. It is, however, "the preferred method of dealing with overtime claims by both its current and former employees." KPMG said it "reserves all of its rights to fully respond to any motions that may be brought in the class action and to defend the class action."

The suit alleged that KPMG employees worked as many as 90 hours a week to complete assignments. It alleged the company regularly required employees to "eat their time" if they spent more time on an assignment than KPMG could recover from the client.

At the time the suit was launched, KPMG said its pay practices adhered to provincial labour laws.

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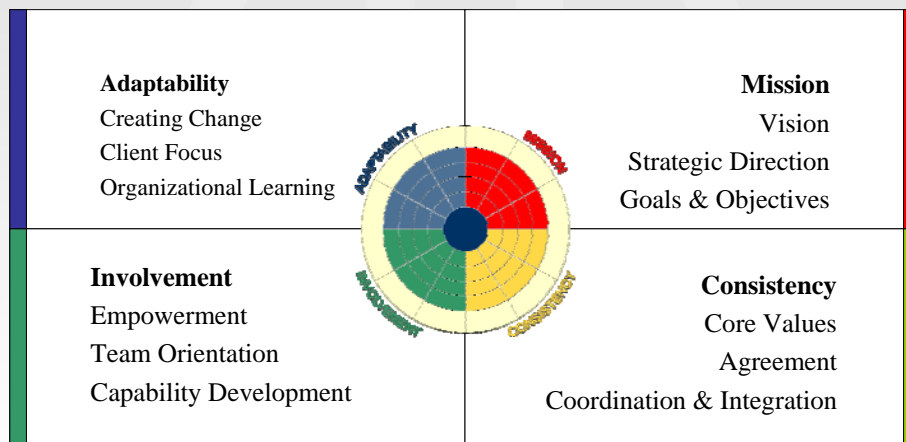
## Fragility

- Culture
- Leadership

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## The Basics of Culture



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## Leadership Imperatives

- Sense of Direction
- Gaining Commitment
- Execution
  - holding people accountable
  - Follow-up and follow through
  - Not letting dates slide
  - Meeting financial goals
- Trust
  - Character and Competence
  - Setting a Personal Example

Source: *When Professionals Have to Lead*  
DeLong, Gabarro, Lees

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