



Business of Law: Future of Legal Service Delivery

Course ID: LAW 555

Units: 2

Term—Day—Time: Fall—Tuesday—10:00 to 11:50 AM

Location: Remote/ Zoom

Instructor: Professor Kevin Joseph Burke

Office: Remote

Office Hours: Thursday 8:00 AM- 10:00 AM

Contact Info: kburke@law.usc.edu

IT Help: USC Gould IT Support

Contact Info: help@law.usc.edu

Course Description

This online course allows students to explore the business of law and legal service delivery as it has traditionally been undertaken with its strengths and weaknesses, as well as how it is undergoing seismic change and will continue to transform during this remarkable time. The course will explore the primary drivers of change throughout the ecosystem of business law. We have created a modular experience designed to provide the opportunity to understand and connect directly with all aspects of the legal industry, including law firm structure and function and the client purchaser needs, service expectations, and legal operations platform. The transformation of legal service delivery and the influencers that will shape the future, as well as digitalization, AI, and strategic business planning, will be studied. Each module will explore the essential pillars of the business of law from the client's and practitioner's perspectives. Students will be required to engage in this online course with their cameras turned on to allow for a better and more interactive experience for all.

The course is designed as a remote learning course in part, by intention, with the expectation that the future of law is rapidly transforming through digitalization and online service. Each segment may include a featured speaker or short video by a market shaper and influencer; some led a discussion on the topic by the professor, and discussion topics designed to have the student offer perspective and ideas and engage in concert with others in the course. The business of law necessitates a touchpoint with the client experience, and this course similarity seeks to connect with the student experience in the academic process. Each class will also typically begin with a discussion of new developments, events, and business of law news that interest the topics covered during the course.

Learning Objectives

1. Gain and demonstrate an understanding of the business of law, legal service delivery as it has traditionally been undertaken with its strengths and weaknesses, and how it is changing and will continue to transform as a profession and industry—understanding the historical context of law firm business models.
2. Explore the essential pillars of the business of law from both the client and practitioner perspectives. Gain an understanding of the challenges to the business model and evolving sector transformation. Identify the key characteristics that contribute to the success of law firms and the dynamics of the client/law firm relationship.
3. Understand and connect directly with all aspects of the legal industry, including law firm structure and function; the client purchaser needs service expectations and the legal operation platform, growth, and the rise of law firm mergers.
4. Gain an understanding of the primary drivers of change throughout the business of law ecosystem and the influencers who will shape the future through digitalization, rapidly emerging AI/LLM advances, business strategic planning, and the importance of diversity and inclusion, collaboration, and innovation.
5. Demonstrate an understanding of the business of law, creative legal design of a law firm strategy, and a technology platform as a law firm leader through writing and submitting written work products on select topics.

Required Readings

Detailed in each module or at a prior class and outlined in the Assignments field on Blackboard, each module description of the syllabus sets forth some examples of anticipated reading. However, assigned podcasts and articles will be identified before some classes to keep the course content current and valuable.

Description and Assessment of Assignments

Modules will have guest speakers who are market leaders on the topics related to the various module subjects, and the class will engage with the speaker on the learning points. Assignments will be announced

for the following week's class, and the reading for each module is noted below. Grading will be based upon class participation by module discussion, short issue paper by module, and a more comprehensive, more heavily weighted final paper touching on the aggregate of the module subjects and holistic analysis of the course content. Each student will apply the various principles to issues presented following the models in the role of a hypothetical law firm Chair. The final paper will be designed in a law firm merger scenario setting with the student, as a firm chair, evaluating and making recommendations to the partnership on the merger candidate firm and strategic direction to be taken.

Each student will choose one of three law firms for which they will serve as firm Chair. The first firm is a large global firm with a full-service practice. The second firm is a mid-market national firm in the United States with a core emphasis on three practices. The third firm is a boutique firm with an elite-level single focus. As the course progresses, the student will be asked to apply the principles developed and covered in each module topic to prepare a three-page response to a specific module-related question. They will be asked to consider an issue and present and explain a response as the Chair of their chosen firm. With the principles developed and covered in each module topic to prepare conclusion the course for their final paper, they will be presented with a merger scenario with one of the other two law firms. The paper will ask for a description of what was learned in the discussion between firms and the recommendation and reasoning that the student will make, as firm Chair, to her/his partners about the merger.

Grading Breakdown

Students will be graded as follows. 15% will be based on class discussion, 40% on the module papers (excluding Module 1: Introduction to the Course and Orientation Module), and 45% on the final paper discussed above. The details of each module are set forth below.

Assessment Tool (assignments)	% of Grade
Module Short Papers	40%
Class Discussion	15%
Final Paper	45%
TOTAL	100%

Course Schedule: Module Breakdown

Week One: Module One: An Introduction to the Course and Orientation Module

This module provides an introduction to the course by Professor Burke, including how and why the course was conceived, its structure, learning objectives, and content to be covered. We will build the foundation for collaboration with individual introductions and discuss individual interests in the topic that each of us hopes to gain from the course. There is no assignment for this module.

Week Two: Module Two: The Origins and Evolution of the Modern Law Firm Business Model

This module will examine the law firm business model and legal service delivery over the past seventy years. The model will explore the traditional structure, business-critical systems of a law firm business structure, the revenue cycle, business generation, service quality, profitability, the rapid growth within the sector to meet demand, the rise of Big Law, segmentation, globalization, premier boutiques, AmLaw metrics, mergers, law firm failures, and the reasons, professional regulation by state, and the taxonomy of law firm business models.

Reading:

-The Business of Law: Evolution of the Legal Services Market, Tyler J. Replogle

-<http://repository.lawumich.edu/vol61352/5>

- The Legal Career Knowing The Business Thriving in Practice, Katrina Lee (Assigned Book)
Chapter 2 The Traditional Law Firm Business

Week Three: Module Three: The Common Characteristics of Successful Law Firms

This module will examine the most valuable qualities and attributes common to outstanding firms, which allow them to operate as a business and with exemplary sustained excellence, indoctrinating their way of doing things to ensure that all individuals function as a unit, continuously seeking ways to improve and serve their client's interests, believing success will follow in the best and most challenging of times. The module will further explore the success-driving principles of mission, culture/values, people, client relationship management, leadership, strategy/execution, differentiated brand position, diversity, and innovation.

Reading:

What it Takes, Text by Charles D. Ellis Book Review/Summary

<https://www.hookedtobooks.com/book-review-what-it-takes-seven-secrets-success-from-worlds-greatest-professional-firms-charles-d-ellis/>

<https://lawyerist.com/strategy/mission-vision-values/>

Case Study, Collaboration for Growth: Duane Morris in a Turbulent Legal Sector

Weeks Four and Five: Module Four: Law Firm Leadership and Management

This model will introduce the business organization and governance essentials for law firm function, administration, high-level service performance, business generation, practice specialization, and professional responsibility. There will be a focus on leadership and governance structures, the committee system, capitalization, equity and non-equity partnership, the leverage model, the LLP and LLC form, meritocracy, practice management, and critical finance and human resource functions. This topic will be enhanced by a practical focus on the qualities of highly successful law firm leaders with a discussion of noted leaders and their accomplishments, as well as firms known to have suffered from misguided leadership.

Reading:

- Clio, A Complete Guide To Law Firm Structure & Effective Management, Teresa Matich
- 30 Years of Law Firm Collapses: An Annotated Timeline, The American Lawyer, October 29, 2019
- The Legal Career Knowing The Business Thriving in Practice, Katrina Lee (Assigned Book) Chapter 2 The Traditional Law Firm Business

Weeks Six and Seven: Module Five: The Client/Buyer of Legal Services

This module will focus on the recent and ongoing shift in the demand, client expectations, and the client/law firm experience. The success of the modern law firm will hinge on its ability to adapt, pivot, respond, rethink, and embrace change. There will be a study of the impact of the economic collapse of 2008 and the Great Recession from the client's perspective, with the "table-turning" and clients exerting unprecedented influence and control. Clients are rapidly driving all legal service providers, not just law firms, into a new model that is more collaborative and multidisciplinary, built around integrated technology platforms and delivered with value-based pricing. This fascinating transformation will be studied and delve into how value is now defined and measured by clients in legal services delivery, the forces precipitating a rapid and wildly destabilizing change in the traditional law firm model, the rise and influence of procurement and legal operations professionals, the ACC Value Challenge, and how the old ways of law firms have become the path to failure.

Reading:

- Georgetown Law & Thomson Reuters Legal Executive Institute Report on the State of the Legal Market, years 2016-2022
- The Legal Career Knowing The Business Thriving in Practice, Katrina Lee (Assigned Book) Chapter 4 The Corporate Law Department

Weeks Eight and Nine: Module Six: Digitalization, Technology, and Disruptive Innovation in Legal Services

The legal marketplace is amid a dramatic period of dynamic transformation. The exponential growth of technology and digitalization has driven this change. This module surveys the disruptive market forces underlying the reinvention process, including the shifts in how law is practiced. The emphasis on efficiency, transparency, “more for less,” and the explosion of LawTech, data access, analytics, legal process outsourcing, alternative service providers, desegregation of the legal supply chain, AI, e-discovery, and document management tools. This state of change will be addressed from all perspectives of the legal services ecosystem, including the impact on client buying power, the shift in the business model of firms closer to the model of client companies, how firms are run, how work is won, done and the mandate for business strategic planning thinking over the traditional status quo mindset.

Reading:

- The Legal Mosaic, Essays On Legal Delivery (legalmosaic.com), Mark A. Cohen
- The Wolters Kluwer Future Ready Lawyer, 2023
- The Legal Career Knowing The Business Thriving in Practice, Katrina Lee (Assigned Book) Chapter 5 Legal Technology: From Typewritten Letters to Artificial Intelligence

Weeks Ten and Eleven: Module Seven: CLOC – Legal Operations and the New Essentials in the Business of Law

This module will provide a comprehensive understanding and analysis of the evolution, growth, and influence of the legal operations movement in delivering legal services globally. Fueled by growing assertiveness among corporate legal departments to improve their productivity while reducing legal costs, corporate legal ops has exploded across the legal landscape. The legal ops professional organization, CLOC, has gained and wielded enormous influence and disruption of the industry through objectives, processes, and business “maturity” core competencies. There will be a study of how CLOC reshaped the service delivery model to one that places client value, business process efficiency, project management, and data optimization through an ever-expanding technology platform at its core and accountable diversity of lawyer ranks demanded of client’s panel firms.

Reading:

- The CLOC State of The Industry Survey and Report, 2020-2023

Week Twelve: Module Eight: The Client-Centric Law Firm

This module will address the shift from the traditional insular focus of law firms and the focus on their priorities, which were served by revenue generation, to a business model that has the client's business interests and experience as mission-centric to the performance of law firm professional service. There will be a focus on prioritizing a product-market fit between a firm's services and the client value objectives and customer experience. This module will examine the integration of client business understanding, empathy of expertise, communication, knowing what clients want, pricing and cost concerns, process design, and bespoke offerings.

Reading:

-The Client-Centered Law Firm, Thought leadership by Jack Newton and Clio

Week Thirteen and Fourteen: Module Nine: Innovation, Collaboration, Horizontal Integration, Law Beyond Silos and Artificial Intelligence

This module will address the importance of ongoing service and process innovation as a functional strategy for law firms. The competitive environment mandates the need to prioritize the focus on innovation. The historically staid legal industry is moving fast to increase competitive advantage and proactively improve practice service and business operations by leveraging new thinking, ideas, technology, and broader expertise. This module will explore what innovation means in legal services. There will be a study of examples of new ideas, advances, and solutions advancing the client experience, the rise of innovation awards, and the influence these distinctions have on brand positioning. The module focuses on the heightened importance of collaboration in the post-Covid 19 pandemic world. Clients require multidisciplinary expertise, and collaboration across practice areas and silos is essential to success. Yet traditional law firms' internal incentives, as do their structures, create barriers. This module will focus on an intelligent collaboration approach that inspires greater client loyalty, better talent retention, ideal in-sourcing, and improved margins. There will also be an introduction to artificial intelligence and large language models in the legal services setting, as well as the risks and opportunities and quickly evolving disruptive applications. The students will be able to deploy AI in an assignment, followed by a class discussion.

Reading:

-Why Lawyers Can't Jump: The Innovation Crisis In Law, Randy Kiser

-<https://www.legalevolution.org/2020/10/why-lawyers-cant-jump-the-innovation-crisis-in-law-205/>

-Smart Collaboration, Heidi K. Gardner <https://thepractice.law.harvard.edu/article/collaboration-in-law-firms/>

- The Legal Career Knowing The Business Thriving in Practice, Katrina Lee (Assigned Book)
Chapter 6 Employment in the Legal Profession and Chapter 10 Life and Lawyering

Week Fifteen: Module Ten: The Future of Law, Tomorrow's Lawyers, and Legal Services – LawaaS

This module will conclude the course with the future of legal services, with the students engaging in the future of legal services. Considering the post-COVID-19 pandemic changes that accelerated

the transformation trajectory and heightened digital transformation to an existential imperative will be discussed in the context of what lies ahead. This module will investigate the nascent legal tech industry, AI, data analytics, the remote workforce, access to justice, online courts, and the future for students as they embark on careers in the most exciting time in the history of the profession.

Reading:

-Tomorrow's Lawyers: An Introduction to Your Future, By Richard Susskind

Guest Speaker :

Richard Susskind (Video)

Statement on Academic Conduct and Support Systems

Academic Conduct:

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Part B, Section 11, “Behavior Violating University Standards” policy.usc.edu/scampus-part-b. Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on scientific misconduct, policy.usc.edu/scientific-misconduct.

Support Systems:

Counseling and Mental Health - (213) 740-9355 – 24/7 on call
studenthealth.usc.edu/counseling

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

National Suicide Prevention Lifeline - 1 (800) 273-8255 – 24/7 on call
suicidepreventionlifeline.org

Free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.

Relationship and Sexual Violence Prevention and Services (RSVP) - (213) 740-9355(WELL), press “0” after hours – 24/7 on call

studenthealth.usc.edu/sexual-assault

Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

Office of Equity and Diversity (OED)- (213) 740-5086 | Title IX – (213) 821-8298
equity.usc.edu, titleix.usc.edu

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants. The university prohibits discrimination or harassment based on the following *protected characteristics*: race, color, national origin, ancestry, religion, sex, gender, gender identity, gender expression, sexual orientation, age, physical disability, medical condition, mental disability, marital status, pregnancy, veteran status, genetic information, and any other characteristic which may be specified in applicable laws and governmental regulations. The university also prohibits sexual assault, non-consensual sexual contact, sexual misconduct, intimate partner violence, stalking, malicious dissuasion, retaliation, and violation of interim measures.

Reporting Incidents of Bias or Harassment - (213) 740-5086 or (213) 821-8298
usc-advocate.symlicity.com/care_report

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office of Equity and Diversity | Title IX for appropriate investigation, supportive measures, and response.

The Office of Disability Services and Programs - (213) 740-0776
dsp.usc.edu

Support and accommodations for students with disabilities. Services include assistance in providing readers/notetakers/interpreters, special accommodations for test taking needs, assistance with architectural barriers, assistive technology, and support for individual needs.

USC Support and Advocacy - (213) 821-4710
uscса.usc.edu

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

Diversity at USC - (213) 740-2101

diversity.usc.edu

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call

dps.usc.edu, emergency.usc.edu

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call

dps.usc.edu

Non-emergency assistance or information.