

Innovative Managing Partner: Seyfarth's J. Stephen Poor

By **Kelly Rizzetta**

Law360, New York (October 11, 2012, 7:18 PM ET) -- Running a major law firm has almost nothing to do with directing an automotive assembly line, but under firm chair and managing partner J. Stephen Poor, Seyfarth Shaw LLP has adapted one of industry's most trusted business management strategies to revolutionize the way Seyfarth approaches client service.

Eight years ago, Poor started mixing lean manufacturing — an efficiency-driven ideology based on Toyota Motor Corp.'s world-renowned production system — with the Six Sigma standardization strategy that Motorola Inc. developed in the 1980s. He tinkered with the formula until he had something that could be applied to the everyday practice of law. The result is SeyfarthLean, a comprehensive, client-centered organizational structure that has helped Poor slash client costs, build a culture of collaboration-driven progress and land a spot on Law360's list of America's Most Innovative Managing Partners.

"It's what lawyers say they do all the time, but really almost never do: get into the clients' position and solve their problem — not your problem," Poor told Law360.

SeyfarthLean relies heavily on data, which the firm collects in reams, forcing lawyers to look at what really matters to and works for clients, then develop a plan and implementation strategy based on the hard numbers.

Poor — who joined Seyfarth as an associate in 1980 and rose to the position of firm chair and managing partner 21 years later — began pursuing the idea in earnest in 2004 and 2005, when demand and rates were ballooning.

"We looked at the economic drivers in this business, and there was a real question as to how sustainable that particular model was," Poor recalled. "Nowadays, everybody talks about 'value' and 'value-added.' Those weren't the terms we were using back then, but that was the concept we were getting to: There are inherent inefficiencies built into the structure of the way people buy and deliver legal services."

Poor and others at Seyfarth made it their mission to iron out those inefficiencies.

"We felt that at some point in the future, the market was going to value that," Poor said.

Little did the Seyfarth chair know, the market was about to fall off a cliff, prompting every firm on the planet to reevaluate their business models. Some started looking into Six Sigma and lean management, and a couple started using pieces of those systems. But Seyfarth is widely considered to have the most holistic program out there.

The centerpiece of SeyfarthLean is an interactive digital database with approximately 165 process maps that can be used to navigate just about any situation a Seyfarth attorney might encounter.

The maps, constructed by Seyfarth developers based on software templates, are the result of countless hours of discussion among Seyfarth partners, associates, staffers and project managers from the consulting subsidiary Seyfarth set up last year that combines business, consulting and legal services.

In a few clicks, any one of Seyfarth's more than 800 lawyers can pull up a digital flowchart that takes him or her through the hundreds of steps and contingency scenarios that go into a particular transaction or legal process.

The maps have a built-in timekeeper that informs the user how long it should take him or her to complete each subsection, notes for which procedures need to be handed off to a senior-associate-level lawyer or partner, and templates of all the documents that might need to be drafted.

"So instead of having lawyers running around, having to search in the library for a particular kind of document, sending out emails saying, ... 'Could somebody tell me the best way to pull together this kind of letter?', you just attach it right to the process map," explained Jeremy P. Sherman, Seyfarth's administrative managing partner for firmwide practices. "It's all there."

The type of collaboration that went into developing the process maps has found its way into every aspect of life at Seyfarth under Poor, his coworkers say.

When it comes time to discuss a project, partners aren't the only ones in the room. They are joined by associates, secretaries, clients' in-house counsel and the largest group of project managers in the industry.

"Law firms are very hierarchical, but when you live by that vision, the trickle-down ... is a very flat organization," said Lisa J. Damon, the national chair of Seyfarth's 350-attorney labor and employment department and the first person Poor called when he came up with the idea for SeyfarthLean. "But when my assistant is part of this problem-solving process, very often, she has the best idea of the group."

Attorneys and staffers alike receive annual training in SeyfarthLean's core principles and the related technology. Experimentation is encouraged and self-improvement is a perpetual state of being for Seyfarth employees — quite a feat in an industry that is typically very slow to embrace change, Sherman noted.

And while he is quick to share credit for SeyfarthLean and the many ideas that have flowed from it, everything traces back to Poor, colleagues said.

"The remarkable thing about Steve as a leader is his ability to say to me or to others, ... 'I have a vision of where we need to go. Here are some ideas. Now, go out and innovate and dream and talk to people,'" Damon said. "It's completely unlike other firms, which are focused on the calendar year and the billable hour."

The SeyfarthLean approach has gotten an uncommonly enthusiastic response from clients, according to Poor — and it's easy to see why.

In just the last two years, when SeyfarthLean really kicked into high gear, the firm used process mapping to cut the cost of lease transactions for a national retailer by 15 percent. Another Seyfarth client, a Fortune 100 defense contractor, saw its single-plaintiff employment litigation fees drop more than 30 percent compared to what it was paying its previous firm. One manufacturer who switched to Seyfarth upped its trademark prosecution productivity by 19 percent, leading it to come in 26 percent under budget on foreign counsel disbursements, the firm reported.

While some clients are content to sit back and let Seyfarth do the legwork, some have gotten in on the action, partnering with the firm to put the SeyfarthLean philosophy to work for them.

In one high-profile example, Wolverine World Wide Inc., a footwear company that manages thousands of trademarks under more than a dozen shoe brands, collaborated with Seyfarth to develop an application for smartphones and tablets that allows Seyfarth attorneys to quickly and easily run possible trademark infringements by Wolverine's in-house counsel. Wolverine's general counsel can then communicate to Seyfarth in one click whether or not to proceed with litigation, a process that has saved hours per day in email correspondence, according to Damon.

Greater efficiency of service obviously means fewer billable hours for Seyfarth, but the firm's thinking is that it will more than make up for the lost hours as appreciative clients send more work Seyfarth's way.

"Clients are delighted to see Seyfarth under Steve approaching our business just as they're approaching theirs," Sherman said. "I think that's what Steve's true legacy will be: He has re-engineered the way we think about bringing services to our clients."

SeyfarthLean isn't just about the clients, Poor pointed out. The firm's outside-the-box philosophy has led to innovation in the way Poor's administration addresses everything from the Seyfarth summer associate program to talent development.

Seyfarth is now in its third year of a purely competency-based management system, Poor said. The firm has developed a process map-like rubric for every department that lets attorneys of various skill levels know what is expected of them, and the specific criteria that will be used to evaluate them for promotion.

"This evolved out of the same mindset [as SeyfarthLean]," Poor said. "If you're delivering skills to your clients, you want to make sure you're evaluating and rewarding people based on those skills and not on some proxy for it, like tenure."

Two years ago, Seyfarth gutted its summer associate program in response to clients' reluctance to hire first- and second-year associates, who seemed to be coming out of law school ill-prepared. Seyfarth eschewed the traditional, firm-focused model for one that focused on the aspiring lawyers themselves and tailored the program to fill in gaps in participants' skill sets.

The result was the firm's fellowship program, and its graduates enter Seyfarth as senior fellows instead of first-year associates, according to Damon, which she said "moves [the firm] ahead at a far greater speed."

The SeyfarthLean mentality also led the firm to overhaul its approach to measuring diversity within its ranks. Guided by the principles of SeyfarthLean, Poor led an effort to gather data on the way diverse employees were recruited and developed while at Seyfarth.

The analysis led to two innovations: a diversity scorecard, which tracks the firm's diversity progress and inclusion efforts, and a mentoring program that pairs new hires with more senior attorneys, "someone in authority who can play a role in looking out [for the new hire] and making sure opportunities are fairly distributed."

It's too early to tell if the new diversity programs will work out, Poor said, echoing a sentiment he expresses often when discussing the firm's various experiments.

"It's very much a work in progress," Poor said. "I'm very mindful of how far we need to go."

--Editing by Katherine Rautenberg.

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