

**Edition: July 2014**

**Q&A: Jodie Baker – ‘Make sure you have a vision and know where you are going.**

**In our latest Q&A, Hive Legal founder and managing director Jodie Baker discusses the importance of collaboration and the advantages of being a ‘virtual’ firm in so much as it has a head office in Melbourne, but its lawyers are able to extensively work remotely.**

**Hive Legal has been in establishment mode for more than 18 months and has enticed some partners from large firms to join it. With your lawyers now beginning to focus on legal work, can you reflect on how tough it has been to set up a new firm?**

“It’s been incredibly time-consuming, but also incredibly energising. As each principal leaves their top-tier firm and comes on board, we have seen a massive release of energy in each of them. They seem to really be energised by something new – the start-up mentality perhaps or the innovative culture of the firm. We are over the biggest hump in terms of the set-up time, so we are really getting stuck into the client work now.”

**You have deliberately targeted lawyers from major firms such as Minter Ellison and DLA Piper. What is your recruitment focus?**

“The thing that each of these principals are widely recognised for and the reason I was attracted to them is that these are the principals that everyone wants to work with; they are technically brilliant, but they are also fantastic team managers who can manage complex, large projects with very large teams confidently because everybody works in a very collaborative and team-oriented manner under these particular principals. To find individuals who are technically brilliant and great team leaders is quite rare.”

**Hive Legal prides itself on being a contemporary law firm that is positioning itself differently to traditional firms. Why do you think there is a gap in the market?**

“Large, conventional firms have breadth and depth and all sorts of advantages in terms of large transactions and litigations. But size brings with it a lack of agility to embrace new ways of working and thinking – even for large transactions – which is limiting for both clients and employees.

There are currently three significant shifts in the legal industry that present a gap in the market for Hive Legal to address. The first is cost pressure on clients. There are now many different methods available to deliver great quality legal services that don’t have to fit within the one law firm model – Hive Legal is well positioned to bring these different options together in an effective manner for clients.

The second challenge is the significant change to work patterns; improved mobility means that people can work anywhere at any time. True mobility is, however, more than being able to read your emails on the phone and we have put in place some sophisticated technology and significant changes to law firm culture to accommodate a more agile style of working.

The third challenge presenting a gap in the market is the enormous growth in IT capability. IT systems now accommodate greater levels of collaboration between clients and firms, clients and all their stakeholders, and between colleagues within a firm. It is a constantly shifting landscape, and needs to be embraced and explored constantly.”

**So, in your opinion, where does that leave the large firms?**

“Large firms will continue to focus on very large-scale transactions delivered in the traditional way – which they do very well. Our focus is to deliver these legal services in a very different way, and be clear with our clients about our points of difference. All firms need to be very clear about target client and target work; no single firm can be ‘all things to all people’. We certainly have a vision and a strategy in place and I believe that’s critical for a start-up, but we remain open-minded and expect aspects of our business model to evolve over time.”

**Your firm is abolishing the billable hour. Are your clients nervous about adopting value-based pricing?**

“No, mostly they’re not. We had expected it would take some time to educate clients, but we have been pleasantly surprised. It’s early days, but certainly the clients are very happy to engage in the discussion. Once the parameters have been set around the work, they are very happy with the end result, which is predictable fees – there’s no bill shock involved.

From a practitioner’s perspective, there are big wide grins when we talk about it. They are able to collaborate with their clients, knuckle down and get the work done, and eliminate the focus on the timesheet. It’s worth bearing in mind, though, that we are talking about very experienced senior practitioners who are very well practised in how to manage their time efficiently. Our model is top heavy – our practitioners are principals and senior associates. If we had juniors it may be more complicated, but that’s not to say that it can’t be done.”

**The name Hive Legal – how did you decide on that brand?**

“We started by articulating our values and what was important to us. Collaboration is central to our DNA, with everybody working independently at times but coming together to a central place to share ideas or work on projects together. The analogies with beehives are obvious, but in a nice coincidence it’s also quite reflective of how our office space works. People will come and go and they’ll do their work from the office, at home or at clients’ premises, but they can come together to collaborate in one place. Just like a beehive.”

**So collaboration is king?**

“Yes, collaboration for us is relevant at several levels. The first is internally – we have no notion of client ownership. Remuneration is not based on who owns which client. It’s about collaborating and working towards a single outcome for the client. The second is externally – because our billing model means that we are not time-recording, we can collaborate with our clients very closely and the clients are more willing to pick up the phone and bring legal advisers into a transaction earlier, minimising client risk. The third element is collaboration with our network of interesting, high-quality practitioners and alternative legal service providers. Those people can lean into our infrastructure for particular matters as required, giving us the breadth and service shape flexibility required for our model.”

**Where does that leave remuneration of your team?**

“We won’t be focusing on who bought in which transaction or significant legal matter. The central premise is that we have mutual respect for the different skills that people bring to the table; relationships, technical expertise, staff management, systems management – everybody has different skills and putting together the right mix of those skills is a task in itself. We don’t need to sit and analyse who has been doing the most work. These are all people who work hard, are energised and are furthering the firm-wide goals.”

**While Hive Legal believes there is pressure on the large-firm model, it is clear that you are benefiting from bringing on board lawyers from the bigger firms. Is that right?**

“Absolutely, each of the principals brings their large transactional experience, ability to manage large teams, and legal technical capabilities. It is important to note that a good proportion of the people leaving those firms are not unhappy, and that they were largely drawn to Hive Legal rather than away from their existing firms. We have an enormous amount of respect for the large law firms’ culture and their capabilities. We just think there’s a new, contemporary way of doing it that offers something different to the client and employee.”

**What's your pitch to potential lawyers you are targeting?**

"There are multiple benefits - being part of and creating something new rather than being inside a bigger, less agile organisation is a key motivator; being part of a change in the industry is exciting. A lot of our lawyers are also looking for a closer relationship with their clients, which we bring through the billing model and the collaborative model."

**One of your partners has suggested working at a large law firm has become unsustainable for many lawyers who are seeking work-life balance. How will your firm balance the demands of personal life with the business demands of clients?**

"Longer-term, having a sustainable work-life balance is important for everybody. I have created this firm because I am excited by innovation and changing industry trends, but I'm also very motivated by changing the choices available to solicitors who have exceptional skills and experience. Many of them can't find that right work-life balance within the conventional law firm model and that doesn't seem right to me. Mobility should give us greater choices, but it's not and we need to change the infrastructure within which we are using the technology to exploit these opportunities. Work-life balance is very much part of the long-term vision."

**Your career in recent years has been dominated by roles in the financial services sector. What lessons can you bring from that sector to the legal market?**

"Financial analysis is probably the biggest thing – I have what some might describe as an over-zealous focus on cash flow and return on investment. I have also been involved in start-ups before and know that vision and culture are crucial; make sure you have a vision and know where you are going and have that clear in your mind because it will chart your course for a long while."

**In your view, what is the biggest management issue confronting law firms?**

"I think the number one issue at the moment is trying to carve out a point of difference."

**Are there any other particular leadership philosophies that you bring to the role as managing director of Hive Legal?**

"Other than vision as discussed earlier, I am very focused on culture and the importance of empowering employees. The key to the success of a virtual model is that there is no need for face time – in this model we trust that all team members are going to get their work done, they understand client needs and will deliver an excellent outcome. All staff are smart, capable team players and they should be empowered to manage their own time and commitments. Beyond that, I believe in keeping people informed, giving them a voice and acting as a team."