

MERIDIUS MATTERS

Firm in Focus — Perkins Coie



PERKINScoie

Trevor W. Varnes
Chief Financial Officer

On building an organizational culture focused on personal initiative and innovation, to better support firm practitioners and deliver new levels of client service and success.



Trevor, we've had several interesting discussions over the past year about organizational theory and innovation within a law firm environment. Today I'm looking forward to getting that on the record. To start us off, would you introduce yourself and your firm?

I'm the CFO at Perkins Coie. We're an 1100 attorney law firm with 19 offices, 16 in the United States and 3 overseas. We generated 900 million in revenue this year and have a strong history of growth.

I am very nearly a Perkins Coie "lifer" — I've spent nearly 20 years at the firm in a variety of operational roles. So I've had a broad view of the operational side. I started in Conflicts, and eventually came to manage the Conflicts and Intake group. I've also spent time in Marketing and Practice Management.

I love working in the legal industry. And while I'm in Finance now, I really appreciate having the background in those other operational areas as it helps me see the way the pieces and processes can and should connect.

So I try to bring that mindset to my team in terms of thinking about how we integrate our function into the broader whole, and how that whole can be enhanced to better support partners and practitioners delivering service to our clients.

Definitely not the typical career path in legal, even for a "lifer," I'd say.

Well, I've just had the good fortune to work for a firm that's been growing, has a progressive mindset when it comes to management and investing in their people. I'm really grateful for the opportunity

to grow while executing projects ranging from new business intake to business intelligence. And I think there's clear benefit to firms where there's a mutual "win-win" and staff grow as the organization does. It's not just the institutional memory and knowledge, but also the internal relationships — all of that can be applied to help support continuing firm growth.

I have to imagine it's also a wonderful example to others — to see that they can grow and advance over time. I don't think that's always the case at every firm. Sometimes there's a "White Knight" attraction to external staff sourcing. And it must be a great retention tool, where the future stars of the firm can see and say "I have a real future here."

It's definitely core to the culture of the firm. We want to encourage people to be empowered, to drive change across the business and how it operates, to improve client service. I can think of several projects and initiatives where cross-functional participation and buy-in has been incredibly critical, and really encouraged by firm management. And as we've grown over the years, preserving our culture has been a focus of attention and investment.

For me, an important personal focus is on peer coaching. And on a management level I work to keep current on the latest research and writing on organizational and management theory, something I picked up when I went back to school for an MBA.

And that research, backed up by real data, all points to greater success and performance for businesses that promote from within and making sure people see a long-term future for themselves within the organization.

A blue-tinted photograph of a business meeting in a high-rise office. Several people are seated around a large conference table, looking towards a man standing and pointing at a window. The window offers a panoramic view of a city skyline with mountains in the background. The image has a semi-transparent dark blue overlay where the text is placed.

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Can you talk generally about the role the partner-level management plays in supporting this culture?

Having those long-standing relationships and that history of performance definitely creates a sense of trust and collaboration between the firm leadership and operational leaders like myself. It also helps to be able to engage with leadership from the vantage point I have in Finance. I'm able to connect with my direct manager, the COO, and the firm management committee about matters covering both strategy and operational execution, with a view they trust because they know me, and that my perspective is rooted in the underlying data about our real-world performance, and my long tenure at the firm.


And I think that there's a general recognition that in terms of law as a business, we need to always be finding ways to grow — whether that's new services, new markets or in other ways. We focus on keeping an eye on how we are executing on that growth. That includes how and where we invest today and tomorrow — be that in terms of strategic initiatives,

technology, process evolution, physical presence and real estate, staffing choices or growth of our legal practitioners, either organically or via laterals. All of that needs to roll up in ways that clearly connect with firm strategy and growth.

For me, measurement and tracking actual ROI is also critically important — both to maintaining an accurate view of what's going on, but also to communicate that picture with management. So where we make investments is tied to a fundamental driver and not on ad hoc or shifting priorities.

A good example of that is continuing to build out the operational foundation now we know we'll need to support the growth we see ahead. And at the same time, of course, making sure we're providing partners and practitioners with the resources and support that makes our firm the best environment for them to work and grow their own practices.

That takes us full circle, as a critical piece of that support is the people we recruit, retain, measure, develop and utilize with us in that journey.



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It's interesting to see how firms navigate the real-world pressures that shape the business of law, while responding to the unique elements of the profession and how firm organization and culture that are such critical elements to factor into that overall equation.

Or, to put more simply — ROI is a simple idea in concept, but often complex in practice. How do you think about it?

At a basic level, ROI is revenue minus expenses. But it can be tricky to define what return means in ways everyone understands and agrees on. That's especially true with investments expected to only start paying dividends two or three years down the line. And those, like the infrastructure necessary to support our growth goals, can be critical.

It's a dialogue I've had with many in the firm for some time. There can be a bit of a mindset change involved. Everyone should understand that fiscal responsibility is critical and that investments need to return value. All of this should be measurable, and it's not just about "overhead" or infrastructure — our staff and people are part of this equation.

There's great opportunity to be had in enhancing resource management. Those include traditional metrics like timekeeper utilization. But it also can and should extend to other areas like lawyer and staff satisfaction, which impacts retention.

For example, retention and ROI are critical elements to measure with laterals. Are they staying and being successful? Are we getting them integrated? Are we identifying the right candidates to join the firm?

All of those things are investments. You need to keep focused on those more so than just how much money came in the last month. How busy are we and how can we save money on expenses?

Can you talk about how you get firm staff and operational leaders to execute on this in principle?

First, we want people to have context. That means the right level of understanding about the firm's strategy and a good sense of how what they're working on can and should support that, including elements of the ROI focus I just outlined.

The second piece is the right skills to engage with their colleagues and the firm's lawyers to execute projects and do their jobs effectively. A key piece of that is making sure individuals have a good understanding of lawyers and their thought process.

The reality is that staff have to earn credibility from lawyers. These are people who have gone through extensive education and worked incredibly hard to become a law firm partner. Of course, that doesn't mean they're always right or that someone on the billing staff shouldn't be able to provide feedback or instruction to a lawyer. But there are optimal ways to set that exchange up for success.

What we need to do is coach staff to take a view that part of their job and a critical skill in their own professional development, is understanding the end goals of lawyers, understanding more about the practice of law, and understanding how lawyers work with their support staff, like their secretaries, to do their work.

From my perspective, it's about encouraging people to take the initiative, be constantly curious, and have a growth mindset. I can't build a comprehensive playbook for how to provide great service in every situation. The contributors on our team have to be motivated and curious to always understand more about what it's like to be an attorney, what we as a firm are doing for clients, how the whole lifecycle works — from having an assignment given to us by the client, providing the work, generating and sending the bill, managing collections, and growing the relationship — how that all fits together.

That's what's going to allow us to deliver truly great service. It's not going to be me telling someone to return their phone calls within two hours, respond to their emails the same day — that's good practice, but it's not the same as great service.


Great service stems from understanding how you fit in to that entire client lifecycle, or service delivery supply chain, if you will. It means understanding that you matter. And looking for ways to add value.

Personal initiative is key. And, thankfully, like many skills that's something that can be cultivated, taught and rewarded to create a positive feedback loop and example for others.

Is there a good example of your firm's staff demonstrating this broader understanding and initiative you can share?

One area where we've had great success is with our billing team. In that group we have some specialists who handle everything for a client they're assigned. In that role they manage the traditional billing cycle, including generating proformas, collecting edits and processing a final bill. But they also coordinate with the client directly on things like e-billing logistics and how those are set up, so their matters align and connect with our matters.

Because we've vested greater ownership with those client billing owners, they're invested in making sure all steps of the process run well — because if



"Because we've vested greater ownership with those client billing owners, they're invested in making sure all steps of the process run well..."

there's a rejection from the client on the e-billing end, or a proforma creation delay, they're the ones that have to address the issue.

So what happens is that they grow to understand how the client operates and how their own matter team operates in much greater detail, with better context. They can spot problems they see coming and even raise those with attorneys. For example, working to make sure that budgets are nailed down with the client. Because these senior billers own the entire lifecycle they can see those instances in the system where the loop still needs to be closed on budget confirmations, and help avoid bigger issues.

The understanding they develop, the explicit charter of their role, and the trust they build with both our attorneys and the client team enables them to work directly across both organizations. On our end this delivers great results — particularly in streamlining collections at the end of that lifecycle.

Now, we still have dedicated teams across the billing lifecycle stages, because we can't today scale this individual owner approach across all 10,000 clients. But our vision is to apply more of the generalizable practices and lessons they're pioneering across more of our billing and collection practices. We can remove friction from the stage handoffs, improve efficiency and enhance client service. Some of that may involved new processes, some new application of software and technology.

What you're describing — the kind of growth of understanding, collaboration and change — that you've built on the billing front is really analogous to the type of more strategic engagement that

clients want to see from their top-tier outside counsel. Would you agree?

Yes. For us, the operational collaboration we've built with clients provides a bridge to more of that type of engagement. It's a great way to foster stronger relationships and a great example we can point to that helps differentiate our firm.

Billing also ties in nicely to the work we're doing around data and analytics — that's both internally and client-facing. We've worked with our technology team to create specialized dashboards for client visibility. And, frankly, there's nothing like a client-dashboard to push a firm to address internal data governance and integration opportunities. That's another investment that can pay diverse dividends.

That journey in turn is enabling us to look at new ways of connecting our financial and CRM data more. On the finance side we're very interested in how we can help the firm enhance client analysis, growth modeling and predictions, attrition risks and other areas tied to business development that are really high ROI opportunities.

You used the billing lifecycle as a way to illustrate how staff development and initiative can enhance client service. And I know you're working with Wilson Allen on that front. Can you share a bit about that relationship and experience?

Wilson Allen has been a terrific partner for us. And it's been a pretty broad and growing relationship. We're currently implementing Proforma Tracker, which will integrate with our Elite 3E financial system

and enable us to dramatically speed and streamline our billing and collection processes. That project is going well, which we expected based on previous Elite projects they've executed for us. And it's one of the strategies we have to scale that "white glove" client billing experience I talked about earlier.

As a consulting partner, Wilson really is a trusted advisor. They bring a unique depth and breadth of knowledge, particularly when it comes to combining technology and process in ways that really understand the big picture of how law firms think and act.

We're also exploring collaboration with Wilson's business intelligence and CRM practice groups. They're really pushing forward the state of the art in analytics, and we want to benefit more from that. And, as I noted earlier, connecting financial analytics with CRM is an area ripe for fresh innovation.

Wilson brings valuable perspective and I've grown to inherently trust them to understand what my job is like, what my stakeholders want, and how the operations of my team and firm work. That also includes how lawyers and staff consume data and services — which frankly puts Wilson in a position to help guide my own thinking on the opportunities on this front.

Any vendor can come in and do exactly what's asked of them. But what's special with Wilson is that they'll really take the time to understand the complete context, and to explore options, approaches and alternatives based on their general experience and specific knowledge of our firm and business.

They have wonderful domain expertise and can really see the world through my eyes. I learn worthwhile things and projects move faster when Wilson Allen is involved, I can't put it any more simply than that.

Well, that's a wonderful note to end our discussion on. Thanks for sharing your perspective today, Trevor. Great to catch up and looking forward to hearing more about you and your firm's success in 2020 and beyond.

Thanks, Dan. I enjoyed our exchange, as always. 

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About

Meridius Matters is a publication of Meridius LLC.

Led by seasoned technology and legal industry veteran Dan Bressler, Meridius works with a diverse set of organizations, focusing on helping law firms respond to evolving market pressures to improve the success of their own clients.



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