

ILTA's Strengths, Challenges, Opportunities, and Threats (aka SCOT)

Updated as of 3/6/2020

Common Functions of 501(c)6

- Education
- Certification
- Accreditation
- Standard -setting
- Lobbying
- Advocacy
- Advising on Policy
- Networking/Community

Strengths: Overall Themes

- Culture (Strength and Challenge)
- Brand
- Clear, Simple and Proven Mission of Peer Networking and Peer Developed Education
- People
 - Leadership
 - Volunteers
 - Staff
 - Evangelical Nature of Participants
- Retention (volunteers, members, business partners)
- Quality of Content
- Depth and Breadth of Subject Matter Expertise
- Delivery of Events (all sizes)
- Financial Reserves (this is less going into 2020)



Strengths: Details

- Culture (Strength and Challenge)
 - Welcoming
 - People who are involved with ILTA want ILTA to succeed
- Brand
 - Recognizable – law firms
 - Established
- Clear, Simple and Proven Mission of Peer Networking and Peer Developed Education. High Quality Services/Content
 - Publications
 - Events – ILTACON Best Event in the industry
 - Local events
 - Education – Peer created
- Member and Volunteer Engagement
 - Smart and knowledgeable
 - Time committed
 - Depth of involvement
 - Loyal- Retention is high –
 - Pride in being an ILTA Volunteer = Career value
 - By Word of Mouth they recruit new members
 - Board - works well together
- Staff
 - Diverse
 - Volunteer heart
 - Leadership
 - Service oriented
- Market for our product
- Structure - effective and scalable platform for delivering on mission
- Partnerships
 - Business Partners – contribute to education and sponsorships
 - Vendors to ILTA
- Ability to Evolve
- Financially Strong – reserves (reserves lower going into 2020)



Challenges: Overall Themes

- “Same Old Same Old”
 - Complacency/stagnation/resting on our laurels/in a rut
 - Too many “sacred cows/”same old same old” (services, people, processes)
- Resources
 - Lack of revenue diversification
 - Reliance on volunteers in current volunteer paradigm
- Marketing (upper case and lower case)
 - Brand recognition outside law firms
 - Insufficient content marketing
- Content (some aspects)
 - Inability to find/re-use content
 - Content not keeping up with the evolution of the legal industry
 - Dated delivery methods
- Remaining Relevant
 - Depth of outreach (junior volunteers, more people within large organizations)
 - Staff not keeping up with the evolution of the legal industry
 - Underserved “core” populations
- Operational Execution
 - Extensive staff change (improving)
 - Poor or no process (improving)
 - Technology insufficient to support operational requirements
- Managing to a minority (diminishing)
- Constituent trust Issues (going away)

Above in order of importance/frequency.



Challenges: Details

Culture

- Nostalgic
- Resistant to change
- Vocal commentariat/Manage to minority
- Paralyzed by mistake/criticism
- Trying to keep everyone happy
- Don't hold ourselves accountable to core values

Lack of Revenue Diversification

- Heavy reliance on ILTACON
- Heavy reliance on business partners
- Low reliance on dues
- Insufficient “levers” to pull
- Reliance on “the same” business partners
- Revenue model that is not recession - proof

Volunteers

- Heavy reliance on volunteers
 - Leaves us vulnerable on capacity
 - DIY mindset
 - Speaker pool not diverse enough – need fresh talent
- Volunteer culture keeps us from being our best
 - Fails to recognize when professionals are needed
- Overarching theme of evolution of volunteer structure
- Culture around feedback/handling non-performing volunteers
- Things moving at the speed of ILTACON



Challenges: Details

Operations and Staff

- Staff roles and responsibilities vis -à-vis volunteers
- Staff morale (improving)
- Lack of industry knowledge among staff
- Lack of operational alignment and strategy
- Infrastructure (back office) inadequate and not scalable
- Too many silos
- Not data driven enough
- No meaningful content management system
- Lack of succession plan

Content/Education/Networking

- Content delivered in “old” ways that do not appeal to younger generations or different levels in career or new to the industry – Beginner/Intermediate/Expert
- Association needs to offer more professional development education to help members further their careers
- Law firms and IT may both present cultural barriers to networking
- Regional events are inconsistent – some very active areas, so very inactive areas
- Less than 10% able to attend ILTACON



Challenges: Details (continued)

Complacency

- Member acquisition
 - Lack depth of participation from individuals in member entities (maybe only 1 or 2 members in each)
 - Not international enough
- Brand overall
 - Limitation of brand to large law firms in North America – small firms, corporate and international don't know who we are
 - Failure to communicate value proposition in a purposeful way
 - Immature marketing strategy/Marketing strategy that doesn't reflect current tools and techniques
 - Lack of consistent communication strategy
- Member Engagement
 - AmLaw 10 low participation in the Tech Survey



Opportunities: Overall Themes

- Growth
 - Who?
 - Where?
- Diversity
- Social Responsibility/Giving Back
- Leadership Change Has Provided Opportunities
 - Forced needed disruption
 - Certain honeymoon period
- Changing Roles within Legal Opens New Markets



Opportunities: Details

- Content
 - More targeted and segmented content
 - Beyond English language
 - ILTA Certified ILTAsponsored certifications for people in their roles
- Brand/Marketing
 - Redefining value proposition in the context of a changing legal business landscape
 - Heightened Awareness of the Importance of a Communications Strategy shared by CEO and Board
- Refresh the Culture
 - Diversity “Walking the Walk”
- Member Acquisition/Engagement
 - Deepen participation within member entities
 - Growth – Where? Who?
 - Untapped Potential of Lawyer Participation
 - The Newbie Factor
 - Affiliate Events and Relationships
 - Mentor future volunteers



Opportunities: Details (continued)

- Operations/Staff
 - “Honeymoon” Mood Opens the Door for Rapid Operational Improvement
 - Educating ILTA staff on goals and values
 - Streamlining processes and mapping operations to strategy
 - Targeting technology change to address biggest operational challenges
- Business Partners
 - Business Partners who Want to Volunteer
 - Utilize Technology and Process to Engage more Business Partners (organic growth is there for the taking)
 - Innovation Events
 - Profession Moving Away from Legal Specific Business Partners – encourage new partners with start -up hubs
 - “Selling” thought leadership
 - Industry participant role



Threats: Overall Themes

- Competition
- Brand Erosion
- Recession/Elections (a recession can also be an opportunity)
- Lack of Younger Members/Leaders
- Changes in the Profession/Market for legal services/Legal technology landscape
- Succession Planning Issues (Staff and Volunteer)
- “Death of 1000 Cuts”/Trying to Be Everything to Everyone
- Not Truly International



Threats: Details

- Market consolidation
 - Law Firms
 - Vendors
- Brand stagnation/erosion
 - Due to complacency
 - Due to service delivery
 - Due to trust
 - Lack of membership engagement
- Competition for
 - Event Attendees
 - Members
 - Sponsors
 - Mind Share
- Regressing to Defensive Posture
- Geopolitical Climate
 - Potential Recession
 - Brexit
- Alternate Business Models
 - Non-lawyer partners
 - Publicly traded law firms
- Alternative legal providers
- Alternate Procurement Models
 - UnitedLex
 - Reynen Court
 - Hosted Desktop
- Vendor Consolidation
- Non-traditional Lawyer Roles
- Emerging Tech Roles
- Diminishing Tech Roles
 - CIO still relevant?
 - Cloud
- Outsourcing
- Lack of Diversity
 - Age
 - Ethnic/Racial
 - Others TBD by DITF Climate Survey



Key Trends (not captured in Opportunities or Challenges sections)

- In-house absorption (more work coming in house)
- Emerging tech (AI, Blockchain)
- Security
- Process Automation
- Privacy
- Significantly different laws and regulations across jurisdictions and countries
- Pressure on law firms to be more client -driven
- Importance of thinking about the business of law
- Changes in organizational leadership
- Alternative Legal Service Providers (“ALSPs”) (Big 4, tech providers, etc. – lots of flavors) and changing role of law firms in ecosystem
- Younger lawyers define success differently (fewer hours, not necessarily partner track)
- Changes in work space (remote working, open floor plan, pets, completely virtual work environments, hoteling)
- Gig economy
- Talent Management (laterals, generational change)
- Assignment of Clients (not owned for life, digital marketing makes it harder to associate a client with a lawyer)
- Increasing focus on access to justice (pushed to do it)



Key Trends (from ASCEND Meetings)

What Won't Change:

- Lawyers will still be lawyers
- We will still need lawyers for high level work

What Will Change:

- Simplification of delivery of legal services
 - Corporate law departments are pushing more work to cheaper suppliers – simplicity and cost savings
 - Thinking about solving business problems more holistically
 - Change from clients to customers
- Legal Products (Solutions) vs. Legal Services
 - Legal services are going to become more and more legal products, and we will sell them in a different way
 - Learning about pricing
 - Services we are selling will be other kinds of services (project management)
 - Who the client (for law firms) is will change
- Changing ownership models
 - Non-lawyer ownership of law firms
 - Maybe the entire partnership structure breaks down
 - Affiliated companies/wholly owned subsidiaries
- Disappearing and emerging jobs
 - What new skills are needed
 - Growth of legal operations within law firms



Key Trends (from ASCEND Meetings)

New Roles and increasing roles: (which of these people don't have an ILTA)

Project Managers

Ops Managers

Procurement

Change Managers

Matter Staffing and Pricing

System Engineers

Practice Management

Data Science and Data Analytics

Cloud

AV tech and management

Data Management

Declining Roles:

Core Infrastructure

Patching (being outsourced)

Things that don't require a high touch

Must serve the entity as a whole

This means more outsourcing of

Cloud inherently is outsourcing

Cost

Quality

Expertise

ALSPs:

Big 4 and others are growing

Vendors:

Three models: TR, startups, and big non -legal investing in legal

Tech Categories:

Enterprise search

Standardized workflows (emulating the Big 4)



Trends from American Law Firms in Transition, Randall Kaiser

- BigLaw financial performance is declining
- Corporate clients' use of BigLaw has declined during the past 10 years
- Real value-added by legal services declined 2008 -17; Hugh Simons, former Ropes COO, said “the law firm revenue engine shut down in 2007. It hasn't restarted; it won't restart”
- To the extent PPP has increased, that increase generally is due to higher hourly billing rates, a reduction in the number of equity partners, and adroit expense management
- Very few firms demonstrate a consistent competitive advantage; client base is constantly changing, so have to replace work every 6 months / year / 2 years
- Legal services industry now employs about 50,000 fewer people than it did in 2007
- Attorneys' billable hours have dropped appreciably since then; average annual partner hours billed at the country's 15 most profitable firms have declined about 10% since 2009
- Realization and collection rates are declining



Trends from American Law Firms in Transition, Randall Kaiser (continued)

- Corporate law departments are growing. Headcount has grown 207% since '97 vs 27% for law firms; budgets are increasing rapidly.
- ALSPs like ediscovery, document review, and coding companies are expanding, and their share of clients' legal expenditures is increasing. Services are also expanding into legal research, IP management, contract management, regulatory compliance, and project management.
- Big 4's legal offerings are growing rapidly. For example, PwC Legal has 2,500 lawyers and ranks as the world's sixth largest legal services provider based on attorney headcount. They spend more on technology and training each year than the revenue of any law firm.
- But – BigLaw's recognition that clients are abandoning their firms has not resulted in serious, continuous changes in individual attorney behavior or law firm management.



Gaps in Knowledge

- How do our members feel about ALSPs? To what extent would you in your organization be open to the idea of membership and participation by ALSPs?
- Top competitors to ILTA for events? Content? Competitive map by area of focus?
- How do law firms feel about corporate law departments being involved?
- What are the largest markets for legal services? How are they growing? What languages to they speak?
- Broader changes in the profession – how to we get this information? **To-do for Joy – and for Jim, how do we tie in the 10 questions (FLPM, Stanford, Georgetown)**



Strategic Planning Questions

SCOT Discussion –Key Questions for Strategic Plan

- What is happening in the marketplace around procurement of legal services?
- What are the key changes in our operating environment that we need to address?
- Does our business model need to change?
- Do we need to change any of our foundational elements (mission statement, core values, and vision of success)?
- Where, how, when, why grow (all of the many meanings)?
- How can we be recession proof?
- How do we reinforce and/or redefine our value?
- How do we communicate that value?
- Who are our competitors? How do we monitor and respond?
- With whom should we ally and how?
- What is our membership model? How do we incorporate the MTF and its recommendations?
- What is our diversity strategy? How do we incorporate the DITF and its recommendations?
- How do incorporate experts into our trusted resource community regardless of member, vendor, etc.?



SCOT Discussion –Key Questions for Strategic Plan (continued)

- How do we acquire and retain members?
- How do we acquire and retain business partners?
- How do we recruit younger volunteers and participants?
- How do we plan for a future when fewer people volunteer or when people volunteer differently?
- Where do we want to be in three years?
- What are our top priorities for getting there?
- How do we turn those top priorities into specific goals?
- What is our responsibility to the broader legal community?
- What is our social/corporate responsibility?
- How do we think of ourselves in comparison with the activities of other 501(c)6 organizations?

