

Delegatus in the time of coronavirus

Key success factors for a reinvented approach



In this series of two articles, the author, president and founder of Delegatus Lawyers' Collective, Pascale Pageau, shares the critical success factors that enabled this 100% Quebec-based law firm to redesign the business model of traditional law firms, some 15 years before the pandemic. A model that not only withstands the adverse effects of the pandemic but allows the firm to continue to grow. This first installment kicks off with the differentiated vision and the human factor.

Legally HappyTM, a driver of innovation

On May 28th, Justice Minister Sonia LeBel announced that Quebec courts and courthouses would reopen on June 1st, 2020. She also took the opportunity to mention that, despite its disruptive nature, the virus had had some positive effect, since it had spurred on the digital shift in the justice system.

This is indeed good news because in March, the justice system was hit hard by the pandemic: courthouses closed except for emergencies, trials were postponed and schedules blew up. Everything came to a standstill to face this war against an invisible enemy. Here we are, three months later, and our collective confinement has brought about technological advances that will forever change many of the ways we do things in our justice system.

What about law firms, professional services? They, just like other organizations, have been profoundly shaken by this unexpected and unprecedented crisis. As a lawyers' collective, what challenges have we had to face, at Delegatus? How have we changed to deal with this crisis? And what insights have we gained from this new business paradigm? The answer is that surprisingly, little has changed in the way we do business. Delegatus was ready for such a moment. We were born for such a moment.

From the very first days of confinement, like any business, we had to quickly address two fundamental aspects to ensure our

survival: operations and finance. On the operations side, we have been fortunate because for the vast majority of firms, the race to transform from traditional office work to telecommuting was quite the challenge. Before the crisis, the legal world had begun a timid start on the digital shift. The virus was a sobering wake-up call that sped up the process. Kuddos to the law firms, courts, professional associations and organizations that quickly and effectively adjusted to digital and remote work. Not everything is perfect, but this much-needed transformation is now well underway.

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juggle with often high operating costs. For national and international firms housed in prestigious downtown towers and an army of legal and support staff, it all adds up quickly.

Expenses are one thing, but how can we predict tomorrow's revenues with any certainty? Recovery is in the air, yes, but what will be left of our economy? How will it evolve? Post crisis, many anticipate a recession. How will that impact professional services firms?

As an entrepreneur and president of Delegatus, I made sure we acted quickly. Within a few hours on March 13th (a Friday as you will recall) my management team had put in place a crisis management and business continuity plan, adjusted our operations and revised forecasts in record time.

Unsurprisingly for us, the operational challenge turned out to be the easiest. Working remotely is not new at Delegatus, and it is not simply "tolerated" within our Collective. It has been in our DNA for 15 years! Of course, we have offices where lawyers and employees have access to closed or open working space at our office, but work-from-home (WFH) has always been a thing here, practiced full-time by at least 70% of our Collective.

In terms of sound management of our finances, since we already had controlled costs and a lighter structure through our remote work policy, this was not a major adjustment.

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We also reviewed our strategic plan, in light of this pandemic. We had to ask ourselves **THE** big question: is our business model strong enough to withstand this crisis? More importantly, do we need to change it and reinvent ourselves to remain strong and grow, after the crisis?

After much soul-searching and thinking, we came to a unanimous conclusion. For us, there is no doubt: if we had to start over and redesign our business model to face the crisis – the one created in 2005 - well, we would not change one iota. This is exactly the flexible and agile business model we would build!

Although the COVID-19 crisis was never envisioned when Delegatus was created, I can see now that the gamble I made in 2005 to practice law differently paid off. We have built the nimble business model we needed to get through this crisis. In fact, we even managed to maintain our record pace for growth.

Our business model was built around three main pillars: people, structure and the client service experience. Today, I am sharing with you the pillar that is dearest to my heart: the human-centric focus, at the heart of our model.

Humans

Above all, a resolutely human vision

I am a great believer in the importance of vision. Without vision and purpose, any new approach or transformation is doomed to fail. The dream that guided my leap into business in 2005 is still the same today: "to completely redesign the legal business model, to benefit both lawyers and clients". This dream led us to define the vision for our Collective. We call it the right to be **legally happy!**

For the members of the Collective, **Legally Happy** translates into the flexibility and autonomy that foster creative and productive collaboration and development. Certainly, as lawyers we strive for the highest professional standards. We work hard to make our clients happy. However, we are keen to define ourselves not only by our billable hours, but by our choice to live our other personal passions and adventures to the fullest.

The way in which each one of us chooses to practice the right to be **legally happy** is unique. For me, family life is a key component of my happiness. For others, it can be travelling, practicing a favorite sport, or a more serene pace of life. It is this diversity that binds us as members of the Collective, because it brings us back to aspirations that are, I believe, common to all working people. Allowing ourselves the means to live our professional and personal lives to the fullest, is what gives real meaning to our lives.

But how can we promise flexibility and freedom to lawyers who work in the pressure-cooker of business law?

What if the answer lies in the concept of entrepreneurship...?

Lawyers-entrepreneurs

In the early years, circumstances dictated that our embryonic company operate in a fragmented way, each lawyer autonomous and working from home. This environment shaped our business approach. We became, essentially, entrepreneurs. This concept means that each professional is personally responsible for his or her own business development and managing his or her relationship with clients.

Soon, we saw the benefits of this approach: no billable hour pressure, no pressure for capital injections to backstop rent or payroll. At the same time, everyone is free to increase or decrease their pace of work whenever they want.

On a daily basis, each one decides when and where to do their work. Compensation directly reflects the effort they put in. This results in lawyers who are 100% free, 100% proud and 100% happy. This is entrepreneurship!

But being a lawyer-entrepreneur wasn't, in itself, enough to be happy.

The strength of the Collective

As the number of lawyers joining the collective grew with each passing year, we established mechanisms to share, collaborate and co-develop. This mindset made it possible to unselfishly join forces and share our challenges and successes. We understood that the whole was indeed stronger than the sum of its parts.

It is from this collaborative and human approach that our unique concept of **Collective** was born. An organic **community of practice**, where we openly share work and ideas. These communities are made and unmade, as needed. Lawyers work together on larger projects, develop service offerings together, help each other in the event of overflow or, when it is time for a well-deserved vacation.

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Tech giant IBM developed a similar approach to enable its professionals to pursue projects remotely. Every day, 40% of IBM's 366,000 employees do not come into the office. Yet IBM continues to innovate through these remote research communities. If it's good for IBM...

Today's professional world is a fragile place. Work is 24/7 and the pressure on billable hours continues to grow. A growing number of studies highlight the rise of psychological distress and the increasing number of burnouts. In this context, Delegatus' flexible model is decidedly different from the norm. The flexibility and time we give each other, combined with the collective support the strength of our Collective brings, help us achieve a healthy work-life balance. It sends the signal that our work is valued, but in equal measure to our personal lives and passions.

A strong and shared culture

Being **legally happy** is not a pious sentiment. Its tangible impact is illustrated by the critical importance we give to our culture. It draws its strength from the responsibility that everyone bears to protect it, on a daily basis. I firmly believe that it is the resilience of our culture that allows us to remain true to our dreams and vision, despite the tremendous growth that we are experiencing.

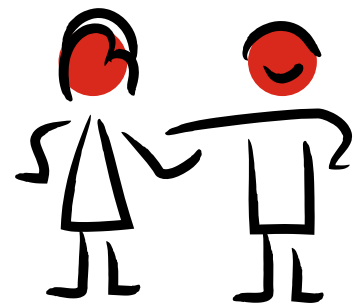
Our culture is purposefully human and collaborative, without ego, without self-importance. There is still a lot of hierarchy in the professional services community. At Delegatus, there is no concept of partner or non-partner, junior or senior.

We are all on the same level, whether it is the entrepreneur-lawyer, the support staff, the members of the management team or, ultimately, the client. We believe that we all depend on each other to succeed. In this vision of interdependence and beneficial relationships, we believe that each one has **the right to be happy** and, especially, to contribute in making others happy.

The cornerstone of our resilience, in this time of the pandemic, is the strength of our team. Our people are happy, so they are resilient and flexible. They have adapted to the disruption affecting their clients, for whom they have become essential partners and confidants.

In order for humans to transcend this crisis, they must be able to express themselves within a flexible and agile structure that gives them the space and opportunity they need to shine. It is this second factor, and the resulting approach to service, that will be the subject of my next article.

To be continued!



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