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Actions speak louder than words

I've said it before and I'll say it again: Technological change is occurring at an unprecedented rate and is indisputably changing the way that the business world functions.

Nevertheless, well-established, mammoth institutions move forward blindly, attempting to conduct business as usual despite the uncomfortable knowledge that the building blocks upon which their businesses are based are crumbling at their very foundations.

Just last week, two seemingly unrelated and well-established institutions, cable television and the legal profession, reluctantly gave an inch to the winds of change. Not surprisingly, however, after acknowledging that some form of adaptation was required, both continued to cling unsuccessfully to the formulas that always worked for them in the past.

First, Time Warner Cable backed off plans to use Rochester as a test market for a consumption-based billing trial for Internet customers. Earlier, it caused an uproar when it announced its intent to implement the plan in September.

As a direct result of the public backlash, on April 16, Time Warner Cable CEO Glenn Britt announced that the company would cancel consumption-based billing trial: "It is clear from the public response over the last two weeks that there is a great deal of misunderstanding about our plans to roll out additional tests on consumption based billing. As a result, we will not proceed with implementation of additional tests until further consultation with our customers and other interested parties, ensuring that community needs are being met."

Time Warner, however, stubbornly resisted the tide of change and refused to rule out a consumption-based plan in the future.

Similarly last week, law firm giant Wombyle Carlyle, when announcing layoffs and salary reductions of associates and staff, issued an internal memorandum with language that could have been copied directly from the book that I discussed last week, Richard Susskind's "The End of Lawyers?": "The world of law firms ... has changed forever. Clients are increasingly focused on managing the costs of all legal matters. ... In many instances, price will control the decision of which of several competing law firms will be hired. Successful firms will be those who continuously strive to improve efficiencies and find ways to minimize

costs without reducing the overall quality of the services they provide. That of course means that firms will need fewer, but more highly skilled and trained personnel at all levels. Simply stated, like the business world in general, law firms must be able to do more with less."

That language indicates that Wombyle Carlyle perceives the enormous changes occurring in the legal industry and is attempting to adapt its practices accordingly, but the decision to reduce costs by eliminating the very positions that constitute the foundation of the firm belie their commitment to the forward thinking concepts embodied in the memo.

Like Time Warner, Wombyle Carlyle seemingly understands that change is inevitable while refusing to take advantage of the opportunity presented by that very knowledge. Rather than using that knowledge to proceed innovatively, both institutions desperately are seeking ways to maintain the framework in which they always functioned.

Time Warner must comprehend that, in just a few years, most non-commercial Internet users will be completely mobile rather than home-based, and will want access to the Internet no matter where they are. Instead of clinging to and preserving a dying industry — cable television — Time Warner would be wise to offer consumers new, more flexible ways to use their services.

Wombyle Carlyle similarly would be wise to revise the firm's infrastructure from the ground up. Creating a less hierarchical and more collaborative, cooperative environment would strengthen the firm, making it more adaptable. Lopping off the support positions at the bottom of the hierarchy makes no sense, and leaves equity partners teetering at the top of a rigid and failing system.

Forward-thinking words are a start, but only when such words are followed by forward-thinking actions do they indicate true progress.

Nicole Black is of counsel to Fiandach & Fiandach and co-authors Criminal Law in New York, a West-Thomson treatise. She also publishes a popular New York law blog, Sui Generis, nylawblog.typepad.com and a blog devoted to legal humor, Legal Antics, nylablog.typepad.com/legalantics.



By **NICOLE BLACK**

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