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How Manatt Is Evolving Into the ‘Professional Services Firm of the Future’

The firm’s leader discusses catering to both disruptors and the disrupted, finding the right path toward growth and adapting to the changing legal environment.

By ALM Staff

Donna Wilson took over as managing partner and CEO of 300-lawyer Manatt, Phelps & Phillips in July 2019 and quickly got to work preparing the firm for the future. In this interview, she discusses catering to both the disruptors and the disrupted, finding the right path toward growth, and how Manatt has evolved in response to a changing market. Responses have been lightly edited.

The American Lawyer: What is your firm’s governance structure?

Donna Wilson: Manatt is led by a partnership-elected CEO, working with an elected board of directors. Over the past decade or so, we have evolved from a traditional law firm into a high-focus professional services firm. Our practice is structured around verticals and horizontals, which are focused on our core and cross-industry sectors. Those sectors are organized into six business groups, including health, entertainment, financial services and digital and technology. Each industry or cross-industry group consists of multiple business units that generally correlate to service offerings in that specific industry: regulatory,



Donna Wilson, CEO and managing partner of Manatt, Phelps & Phillips.

litigation, transactional and management consulting/strategic business advisory. The business units and groups are each generally led by a single partner-level professional, whether they be an attorney, an adviser or a consultant. This structure enables us to leverage industry expertise from our diverse array of

practice area or industry?

DW: Our platform reflects the convergences our own clients are facing. Virtually all incumbents seek to pivot into digital—fintech, ad tech, health tech and the like—and I have always half-joked that every digital media company wants to be a fintech company, and every fintech

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professionals, ranging from litigators and deal lawyers to management consultants, technologists and government advisers, so clients can benefit from access to a truly comprehensive team.

TAL: What do you view as your core areas of strength, either by

company wants to be a health tech company, and vice versa. And all of those areas and more are a focus of our platform.

Our platform is focused on those convergence sweet spots. Indeed, many of our matters involve assisting clients who seek to benefit from

that increasing convergence of industry sectors. Our clients appreciate that we provide both legal and strategic business advice, with professionals working together across practice areas to better counsel clients on the changes and disruptions they are experiencing in today's new economy. Our blended team of lawyers, consultants and technologists enables us to do this. We offer integrated teams in health care, government and regulatory, digital media, real estate, privacy and data security, and we recently hired our first strategic adviser into Manatt Financial Services.

TAL: What do you view as the biggest opportunities for your firm, and what are the biggest threats in the coming year or so?

DW: Like many of our clients in our core industry sectors, the legal industry itself is going through significant disruption, as companies are increasingly interested in working with accounting, consulting or technology firms for work that traditional full-service law firms handle. We are well-poised to address this challenge as well as any others the industry might face and, in fact, to capitalize on those challenges. Our evolution to a professional services firm is a response to what our clients have said they want and need, and to what we have seen happening in the market and in the economy. We've tried to get ahead of the pace of change to create a brand that distinguishes Manatt from our competitors.

Here at Manatt, we view change as something to be embraced, not something to run from, whether that's a change in how we deliver our services, what our clients' needs might be, or cultural issues in terms

of inclusion and diversity. At Manatt, if someone has a new idea and a good business case, we do not focus on pointing out the reasons it won't work; instead, we focus on the ways in which we can make it work.

TAL: How have you altered your business model or firm structure, if at all, to compete in a changing legal landscape?

DW: Our firm has changed dramatically over the past decade. We've transformed from one of Los Angeles' leading law firms into a truly national, integrated, professional service firm that pairs law practice with strategic business consulting, focusing on our core industry sectors. There are few challenges our clients face that are purely legal or purely business; instead, most are a hybrid. Manatt is uniquely structured to provide our clients with the means to respond to all types of challenges.

TAL: Who do you see as your chief competition?

DW: Because the depth and breadth of our blended approach is so unique within the legal industry, we compete with everyone from litigation boutiques to international full-service law firms and global powerhouse consultancies.

TAL: In looking ahead at the next 12 months, share with us your plans around the following topics at your firm:

DW: Growth (or retrenchment): While we consider being compact and nimble one of our greatest assets, we experienced exciting lateral and organic growth in 2019 in both the legal and consulting components of our team, which we expect will continue into 2020 and beyond. We do not believe in growth for growth's sake, and thus

our strategy is to pursue curated growth focused on our industry and cross-industry sectors. On the lateral side, we are not interested in buying books of business; instead, we focus on the points of contact each lateral group or partner candidate has with our industry and cross-industry sectors—the more points of contact, the greater the likelihood of success for both us and ultimately our clients.

Geographically, we opened our 10th office, Boston, through the arrival of Scott Lashway (who co-leads our privacy and data security practice with me), as well as his Boston and D.C.-based team. We also strategically expanded many of our existing offices and core industry offerings with hires that include industry heavyweights, such as former U.S. Steel GC Suzanne Folsom, former commissioner of the California Department of Business Oversight Jan Owen, former senior managing director of GE Ventures' Healthcare Venture Fund and digital health thought leader Lisa Suenen, and former CEO of the University of Pennsylvania Health System Ralph Muller, among others. Our focus on bringing on teams also continued, with health care litigator Charles Weir and his team joining us in Los Angeles, along with financial services partner Scott Pearson and his team. We are excited to continue executing our strategy of pinpoint growth and further strengthening our legal, business advisory and consulting capabilities across our core industry sectors.

Talent management: As a female CEO and managing partner who identifies as LGBTQ and comes from a much different socioeconomic background than many in the

professional services industry, I consider diversity and inclusion to be fundamental to Manatt's identity and key to providing the best service and advice to our clients. Whether it's a client pitch team or a meaningful leadership position, it's not just about racking up numbers on a board—it's about putting diverse people in decision-making positions, which ultimately leads to better results for clients. As part of this ethos and under our new firm structure, one-third of our leaders are either female or diverse. And our chief operating officer, chief financial officer, chief talent officer and chief human resources officer all happen to be female.

At Manatt we will continue to build a more inclusive professional services community, not only because it's the right thing to do, but because it also enhances everything we do.

Technology or back-office operations: With the move in March to our new Century City office space in LA, we are escalating our investment in technology, particularly as it relates to enabling our mobile workforce and ensuring seamless interconnectivity and integration of our professionals across our footprint. Our new LA office is the capstone of our drive to invest in the future, and that future will feature technology front and center.

Pricing/AFAs: Being as relatively compact and nimble as we are enables us to be entrepreneurial

with respect to many things, including pricing and AFAs. In particular, many of our integrated teams use scopes of work and flat fee arrangements for certain types of work, particularly in the consulting area. For example, many of the projects that our privacy and data security business unit handles are more in the nature of consulting or hybrid consulting/legal projects, and for such matters we offer a menu of scopes of work and accompanying alternative and traditional fee arrangements, depending on client need.

TAL: What high-level professional roles (C-suite or equivalent) does your firm have and which ones are client facing?

DW: Under the leadership of our COO, we have a team of business professionals (including CFO, CTO, CIO and CHRO) whose roles are internally and externally focused on ensuring our business infrastructure and support are aligned with our strategic goals. There is particular emphasis on supporting our lawyers, advisers and consultants to ensure we add value and the highest levels of service to all of our client interactions.

TAL: What is the most innovative thing your firm has done recently?

DW: Our philosophy is that we want to be both legal and strategic business advisers to our clients. We focus on providing not only legal services but also strategic business advice to help our clients operationalize and drive that legal counsel, as

well as free-standing business and legal advice and counseling. Other firms have experimented with this hybrid model, but none have done it to the degree and with the success that Manatt has.

TAL: What are clients asking for lately—from either an operations or matter perspective—that feels new or evolving?

DW: There is no question that clients are seeking something different. They are not entirely satisfied with certain aspects of the various professional and advisory services that they receive. So they come to us. In response, and as the marketplace continues to evolve rapidly in today's digital age, we have sought to position Manatt as the professional services firm of the future. By leveraging our history of excellence in such industries as financial services, advertising and consumer protection, health care, digital and technology, real estate, media and entertainment, government and regulatory, and in practice areas including litigation, transactional and regulatory, we are able to advise our clients on complex matters at the intersection of law, policy and business strategy. In doing so, we have established ourselves as the go-to legal and business advisers for both the disruptors and the disrupted.

TAL: What keeps you up at night?

DW: Seeking to anticipate our clients' legal and business needs and how we can best be structured and positioned to serve them.

