



Axiom

A New Model in Law Firm Work-Life Effectiveness

Organizational Information

Axiom is a modern interpretation of the traditional law firm. The company operates in the United States and the United Kingdom utilizing a new model of practicing law which offers clients the flexibility of outside counsel with the integration and cost efficiency of in-house counsel. Unlike traditional law firms, Axiom minimizes overhead for its clients by having attorneys work at the client's site or work remotely leveraging technology. While 75 percent of the firm's attorneys work full-time, Axiom attorneys are given control over their careers, and have the ability to turn down matters, explore part-time work arrangements, and build their skill sets in new practice areas. In doing so, Axiom offers flexibility to its attorneys and fills in market gaps for its corporate clients.

Axiom achieves its success by employing top-tier attorneys with specialized knowledge in practice areas such as corporate, intellectual property, and information technology law. Axiom's more than 300 lawyers provide high-performance teams with partner-level leaders serving corporate legal departments mostly in *Fortune* 500 companies. The firm was founded in 2000 by Alec Guettel, MBA and Mark Harris, JD. It is backed by Greenhill Capital Partners, JP Morgan Partners, and Benchmark Capital.

History and Launch of Activity, Program, or Policy

This new concept of practicing law was established by CEO Mark Harris. While working at his former firm, he noticed that the total invoicing for a client matter, which was approximately two months, corresponded to his annual salary. He felt that there were significant inefficiencies in the standard model of billing and that "there must be a better way" to provide more affordable legal services to clients. He also found that, in his experience, the majority of attorneys are unhappy in "traditional" firms, and that the majority of corporate legal departments are unhappy with their outside counsel services.

Harris enlisted the assistance of Guettel, an experienced entrepreneur, to explore the situation. Together, they found that the traditional model of law practice had inherent disadvantages, including that:

- 1) Work-life balance is notoriously cited as a challenge for lawyers, and the percentage of female partners is disproportionate to their male counterparts.
- 2) There are often inflated billing targets and hourly rates, significant costs being passed to clients; and that bills to clients "for services rendered" may also be marked up if passed through cost centers for processing.
- 3) The presence of excessive overhead (i.e., paperwork and expensive infrastructure) is becoming outdated in an information age.



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Axiom envisioned a business model that would focus on outside counsel replacement by providing clients with a true alternative to the traditional law firm model. They set out to achieve this by focusing on affordable legal services delivered using a leaner, more cost-effective model. But as with any start-up business, the firm wasn't sure at first if anyone would "take a risk" on this new model, leaving behind the comfortable, tried and true model of practicing law.

However, the model has clearly paid off. At the beginning of Axiom's evolution, it worked to gain clients' trust. Over time, its product offerings have increased significantly, and the firm now engages in much larger-scale matters with a larger number of attorneys. A full 50 percent of the original attorneys from 2001 remain with the firm, and their ranks have grown considerably over the past few years. This demonstrates that, particularly with the turn of the economy, the industry has been hungry for change and is much more receptive to the idea of a more flexible law firm model.

Strategy of Activity, Program, or Policy

Axiom has created a structure where attorneys are able to practice under a variety of flexible work arrangements. Axiom is able to offer attorneys flexible work options because individuals do not have dedicated office space, and the work culture is not driven by billable hours. Instead, Axiom bills based on blocks of time or flat-fee arrangements determined based on client needs. This structure enables attorneys to take control of their careers, allowing them to dictate where, when, and how they work. In addition, Axiom has found that this flexibility contributes to a more open and inclusive culture. The firm celebrates a diverse staff, with large percentages of women and people of color. By embracing diversity as part of its business model and also highlighting the importance of flexibility, the firm, its attorneys, and their clients benefit.

Attorneys choose which clients and engagements they want to work on as well as in which geography they want to work. Whether they elect to work three days a week or take a month off, the Axiom model benefits both women's and men's need for flexibility. Attorneys actively working full-time on a matter are paid a full-time salary. This salary is prorated if they are working a flexible schedule, thus there is no incentive or disincentive to work more or less. Salaries are comparable to those paid to in-house attorneys and are based on experience, practice area, and performance. Axiom attorneys receive benefits, including health insurance, retirement benefits, vacation time, and attorney development memberships. Between engagements, healthcare is provided for up to two months.



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Axiom attorneys have made the career choice to work at a firm that allows them to “opt in” to engagements and self-direct their lives, which is important to both women and men. This structure allows Axiom to cover the full spectrum of client needs without the high cost resulting from a billable-hours system. There is no “promotion structure,” because Axiom is free of hierarchy. As there is no partner track at Axiom; attorneys choose engagements based on interest and desire rather than leveraging for promotion, which positively affects both attorneys and clients. This instills a sense of empowerment in their experience.

In addition, every single attorney has an attorney development partner (which is a formalized role) who is responsible for their overall development, providing opportunities to build skill sets, gain exposure, and remain satisfied within the firm. Axiom currently has approximately 10 attorney development partners throughout its organization. Attorneys are also offered development opportunities to work on cases that may not be in their primary area of expertise. For example, if an entertainment attorney wants to move into market data licensing, the attorney can select matters that provide applicable experience. Then, within Axiom’s annual review process, the attorney’s competencies would be reassessed.

Attorneys can opt out of engagements if they want time off to pursue other life priorities. This offers women and men the freedom to focus on other important aspects of their lives. Attorneys can choose to care for elderly parents or children, take extended vacations, volunteer, or more generally participate in activities outside of the workplace, which Axiom affectionately refers to as “beach time” (i.e., any non-vacation break from work).

Axiom structures engagements to be most convenient for both its corporate clients and its attorneys. The majority of Axiom attorneys provide legal counsel at the client’s site to reduce client dependence on traditional law firms and increase the client legal department’s efficiency. Additionally, 20 percent of attorneys use technology to work virtually, which further reduces office space costs for Axiom and serves as a cost benefit for clients. The combination of delivering on-site and remote legal counsel is a key success factor for Axiom.

Internally, Practice Managers collaborate with clients to determine which functions optimally belong in-house and where to set thresholds on staffing levels. They engage clients in a methodology that helps them unlock opportunities to do things more effectively by recategorizing or realigning work across more efficient service models. This allows clients to reduce dependence on traditional law firms and run their departments more efficiently.



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Practice Managers monitor work flow, establish performance metrics, ensure quality control, and liaise with the client. They handle all things client-related—from identifying open matters to which attorney(s) are best suited to the client’s current needs—so that the lawyers can focus on what they do best: getting the legal work done.

During especially busy times, such as during acquisitions or around security filings deadlines, Axiom often helps organizations supplement in-house counsel. Axiom’s innovative approach to team structures supporting all or part of specific legal functions enables clients to improve efficiency while maximizing expertise. Such on-site contact allows Axiom’s team to work more efficiently, which in turn saves the client money and increases client satisfaction. The firm’s approach also ensures that as an organization’s needs decrease, so do the resources assigned to the matter. This sets the stage to successfully and cost-effectively offer day-block or week-block schedules. For in-house continuity, Axiom fills gaps by providing a **seconded** attorney for a period of time (usually from three months to a few years).

The Axiom model of law benefits women, the firm as a whole, and its clients by:

- Having internal staff dedicated to client development and creating extensive training around process and positioning to better help the team target efforts and attain real results.
- Listening to its clients and their expressed needs to tailor services and better serve as a strategist, helping the client proactively apply long-term solutions to the root cause rather than quick fixes.
- Segmenting itself by practice area to better align with traditional law firms, enabling attorneys to specialize in their industry knowledge and more intimately understand the clients with whom they engage.

Challenges

Axiom faces challenges when attempting to recruit risk-averse attorneys to a firm with a relatively new and alternative business model. Traditional firms closely manage attorney schedules and career paths, control project access, and limit personal time, but work and compensation are steady. In contrast, Axiom attorneys are paid when working, and work isn’t guaranteed. Despite this, 80 percent of Axiom attorneys are engaged on a matter at any given time, and, on average, beach time is less than three months per year.

Success Factors

Axiom attorneys can work anywhere, be it virtually through the use of technology, at the client’s site, or in the Axiom offices. Axiom physical space is flexibly managed. In an



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effort to eliminate hierarchical physical structure, there is no staff-specific dedicated office space, and barriers between work spaces have been removed. There are no titles on business cards or emails and “levels” are for internal salary purposes only based on experience.

Axiom prides itself on having an inclusive environment, and employee engagement surveys demonstrate that employees recognize and appreciate the inclusive environment Axiom has developed. Axiom has a large staff of women and a large LGBT population. Another important aspect of the culture that has been cited as critical is “egolessness.” The company has found that people who are hierarchy-driven and intent on furthering their own cause are not a good fit at Axiom.

Catalyst Change Drivers

1) Business Rationale

Axiom’s non-traditional approach significantly decreases the per-hour rates for clients normally charged by traditional firms. In addition, attorneys are offered significant work-life flexibility and control; this supports better work-life balance and a more diverse and satisfied staff.

2) Senior-Level Leadership/Involvement

Axiom’s business model, created by founders Mark Harris and Alec Guettel, is continuously upheld by other senior lawyers at the firm. A strong emphasis has been made by senior leadership to focus on decreasing client costs and maximizing flexibility for attorneys using a non-traditional model valuing expertise rather than hierarchy.

The Impact of the Activity, Program, or Policy

Axiom celebrates a talented and diverse staff. As described by a woman of color attorney, Axiom embraces diversity as part of its business model, thus creating a culture of acceptance at the firm:

“[Axiom] organically celebrate[s] diversity so they don’t need to tout it as a recruitment point. I felt like I could be myself with the Axiomites I met and wax on not only about my legal experience and professional goals but also about my personal ones too. That was very important to me, to be able to be myself and feel comfortable with all those intangible things I can bring to the table based on my unique and diverse background...I think Axiom is special in that they attract top talent but also attract within that gene pool women and minorities due to their unique and special needs (flexibility, meritocracy, etc).”



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In 2009, Axiom had more than 300 attorneys and 90 support staff, of which women represented:

- 54 percent of the total staff.
- 56 percent of attorneys, up from 52 percent in 2008.

Also in 2009, people of color represented:

- More than 25 percent of the total staff.
- 38 percent of attorneys.

Finally, women, people of color, and LGBT employees represented 30 percent of managerial positions in 2009.

Next Steps

The Axiom model continues to evolve. The firm plans to:

- Establish additional practice teams led by senior attorneys.
- Continue its geographic expansion in the United States and abroad.
- Expand the legal practice areas covered to add additional capabilities to its service offerings to better provide comprehensive solutions to all its clients' legal needs.

DIVERSITY & INCLUSION
PRACTICES