

The thing about ...

ASIAN-MENA COUNSEL'S Patrick Dransfield talked to and photographed Mark Harris, Founder and CEO of Axiom, while Mark was briefly in Hong Kong and put to him a series of questions on behalf of the *In-House Community*.

ASIAN-MENA COUNSEL: Please describe Axiom generally and the services that it provides.

Mark Harris: Axiom is a recognised leader in the business of law and a leading provider of technology-enabled legal and contracting services. Our solutions combine legal experience, technology, and data analytics to deliver work in a way that dramatically reduces risk, cost and cycle time. Axiom comprises 1,500 consultants, legal professionals, process engineers and technologists who serve over half the Fortune 100 across 16 offices and five centres of excellence globally.

Since our founding in the year 2000, we have always partnered with our law department clients to find more sensible ways of delivering the highest quality of legal work to their businesses. Early on, we did so by plugging Axiom professionals into clients' existing infrastructure, handling a range of sophisticated legal work, either onsite or remotely. By eliminating traditional overhead and flattening 'pyramidal' law-firm economics, we've helped clients resource their legal needs far more cost effectively.

With over 800 lawyers in this part of our business alone, 'secondments' are still a critical part of the Axiom brand and business. But we've spent the last few years helping clients pioneer a new tech-enabled model for contracting, establishing the industrialisation of certain legal processes as a new best practice (using automation, technology, tools and repeatable process to deliver better risk management).

AMC: What has been the history of Axiom in Asia and the Middle East? What could a Beijing-based General Counsel approaching Axiom, for example, realistically expect in terms of service offering and coverage? How does this compare to San Francisco?

MH: Axiom founded its Hong Kong business in 2010 and was the first alternative legal service provider to enter the market, helping our clients there transform the way legal work is delivered in the region. We now have over 60 legal and compliance professionals in Hong Kong and Singapore, serving the world's largest multinational companies.



Mark Harris

Photo: Patrick Dransfield

Asia is a critical part of Axiom's global footprint, which spans 15 locations worldwide and provides its clients with access to a firm that offers regional expertise on a global scale. A Beijing-based General Counsel will have access to local professionals who know and understand that market while still being able, where appropriate, to tap into our global talent and technology infrastructure, delivering topical expertise that extends beyond regional borders.

AMC: You are both the founder and the CEO of Axiom – please describe the history of the company from its inception. What was your inspiration?

MH: When I was an associate at Davis Polk, I was asked to prepare a client's monthly bill. Putting it together, I realised that one month's billing was nearly equal to my entire annual salary. From that point on, I was obsessed with making observations about the practices inside a law firm that felt inefficient and wasteful.

The question I kept coming back to was: in a world where everyone is trying so hard to be efficient, why does the law firm get to be so inefficient? That inefficiency translates into a staggering level of hidden cost to consumers, shareholders and the great majority of people who work in the industry. I think that's wrong and unnecessary and I've been on a mission to change it.

In the early days it was difficult to get large companies to entrust high-end work to Axiom; 15 years ago, the most common response to entrepreneurial thinking was either outright hostility or complete indifference. Our struggles were rooted in the industry's aversion to risk and change, and a real scepticism about new models. And – in fairness – who the heck were we? We hadn't done anything or proven anything, so I can understand the market's reluctance.

Timing compounded these challenges: only months after getting started, 9/11 struck; the economy was in a slump and demand for outside legal services was shrinking.

Axiom was saved (narrowly) by a municipal grant targeted at downtown companies in New York City impacted by 9/11. In January 2003, after knocking on hundreds of doors and experimenting with different pricing structures, clients finally began to give Axiom a try.

Life was very good for several years but, in August of 2008, the financial system imploded. Investment banks comprised over two-thirds of our revenue at the time. We liked to proudly

boast that we served nine of the 10 largest banks in the world. Four of the nine dissolved or merged out of existence in a period of a few weeks.

We diversified our client base and opened offices in geographies to support that diversification. Most importantly, we capitalised on a newfound willingness among General Counsel to break (finally and meaningfully) with tradition and find more innovative ways to handle larger volumes of legal work, leading to the launch of our contracts offering.

Through our work in contracts, we are challenging the incumbent model of legal delivery in a more profound way than ever before. The incumbent model is largely artisanal: highly paid, intensively trained specialists attack each task anew without the help of robust tools or technology. That's perfect for novel questions of law that are irreducibly complex, but not so effective for the majority of legal work (like contracts) that's comprised of multiple and recurring transactions.

AMC: Who has been your mentor – legal or otherwise?

MH: I've had too many mentors, coaches and helpers to name just one! I am deeply in debt to great and generous people in all directions when it comes to Axiom's success.

It's incredible how much the world is prepared to help and teach, once you make yourself a student. One of my mentors has a great line about this – he says the world is made up of two kinds: 'know it alls' and 'learn it alls'. I've always wanted to be a 'learn it all'.

AMC: You have personally won a number of awards as an industry disruptor – do you think that the global legal industry is truly changing? And if so, are traditional law firms adapting fast enough?

MH: Law firms are change averse by nature (they manage risk for a living, after all) and by design. Most law firm partners pay brutal dues for up to 20 years to land atop the pyramid and any investment made comes from the partners' own pockets.

So while disruptive change is coming (and it is), it's not coming from the dominant firms. And it probably shouldn't. As Richard Susskind says: "it's hard to convince a bunch of multimillionaires they have the wrong business model!" There's a great business for the best law firms now and in the future, but the industry will segment and focus its resources like all industries that have gone before us.

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That change will be led mostly by pioneering clients who recognise how the application of technology and process can be fundamentally game-changing, delivering massively improved results in risk management and the client experience.

My view is that we are migrating from the bespoke paradigm to the industrialisation of certain legal processes and that because the empirical results are just so much better, there is no turning back.

AMC: How does Axiom train its employees to guarantee a consistent and top level of service?

MH: Axiom is known for having the most commercially-minded professionals in the market and our investment in people does not end with getting the right people on board. We offer top-tier business education in addition to the professional education you would expect. Our executive education programme – offered in partnership with McKinsey & Co – provides our employees with an MBA-like certification that covers subjects like business strategy, risk and effective communication.

AMC: Where do you see Axiom in three years?

MH: I see a continued enlargement of Axiom's global footprint. We recently opened our sixth international office in Toronto (our sixteenth overall). We are actively making plans to expand our European footprint as well, with a new office in Frankfurt later this year, and growing and investing further in Asia is of course a key priority.

More important than footprint is impact and – in three years' time – I hope that we are continuing to progress innovation and modernisation in a more evolved legal marketplace.

AMC: How is Axiom changing the work-life balance of both its employees and its customers (specific examples, please)?

MH: Axiom has been well recognised for our efforts with clients: reinventing the law firm via a streamlined cost structure, implementing a flat-fee approach and developing a managed service model to help clients manage legal work more effectively.

From the perspective of the Axiom professional, we have been a significant driving force in creating a 'third way', beyond the simple choice between private practice and in-house. Axiom offers a distinctive career proposition designed to ensure that talented professionals are able to continue to do blue chip work, but with a high degree of self determination over their career.

Axiom professionals experience a wide range of client adven-

tures, opting in and out of opportunities (rather than being forced to take them), working flexibly and taking time off as needed.

AMC: After Axiom, what next?

MH: I can't see that far out into the future! Along with a great group of people here, I'm on a mission to help this industry embrace and make the most out of its inevitable future. More and more, that's feeling like a life's work.

AMC: What is your hinterland (i.e. what are your interests outside of Axiom)? How do you control your time so that you can pursue them?

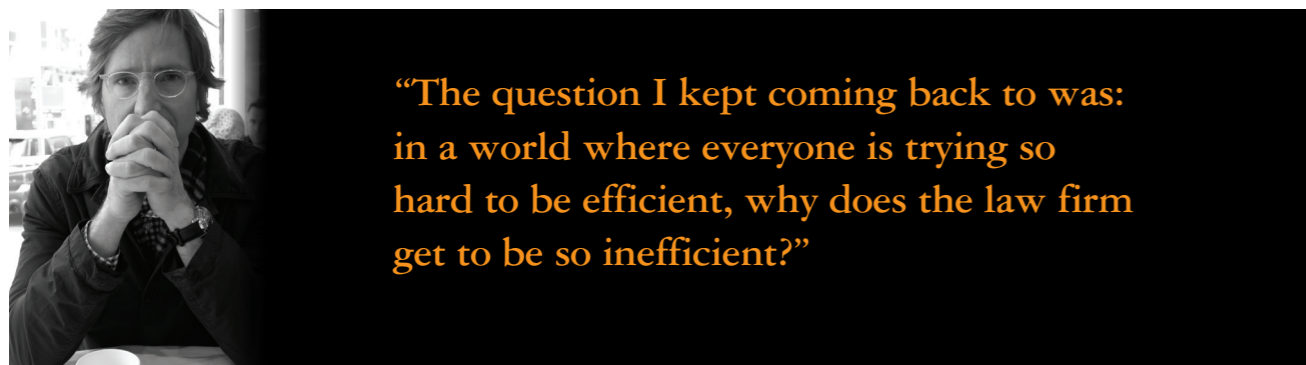
MH: I'm only recently getting better at managing and dividing my time and it's still a work in progress. Having talented teammates that are more than capable of operating independent of my interference is definitely helping!

My primary interest outside of work is my formative family; Blythe and I are having a blast spending time with our kids (Olive – 7, Freddie – 5), who happen to be the world's two most hilarious people. We ski together in the winters, play at the beach together in the summers. But mostly – and in between – we hang around the house on the weekends and do our best to be lazy.

We love to entertain and architect social experiments that put interesting friends together and I have a semi-obsession with design of all kinds, but especially in the home.

Mark Harris is the Founder and CEO of Axiom, a recognised leader in the business of law, providing tech-enabled legal, contracts, and compliance solutions to large enterprises. Axiom's solutions combine legal experience, technology, and data analytics to deliver work in a way that dramatically reduces risk, cost and cycle time. The firm comprises 1,500 lawyers, professionals, process engineers and technologists who serve over half the Fortune 100 across 16 offices and five centres of excellence globally.

The Financial Times has recognised Axiom as the world's most innovative legal services firm and Harris, specifically, as a "top ten agent for change", awarding him its annual Lifetime Achievement Award. Harris is often referenced as an industry disruptor and driver of market transformation. To that point, in a 2012 New York Times cover story on the evolution of the legal industry, Andrew Ross Sorkin wrote that he is "rewriting the law firm business model". Forbes has called him a "name you need to know" and the ABA has awarded him "legal rebel" honours. In addition to the media accolades, Harris has spoken extensively on legal innovation and is a past recipient of Ernst & Young's Entrepreneur of the Year award. Prior to founding Axiom, Harris practised law at Davis Polk & Wardwell and clerked on the US Court of Appeals for the Ninth Circuit. He received both his BA and JD from the University of Texas where he served as President of the Texas Cowboys Honorary Service Organisation. He is an Aspen Institute Crown Fellow, class of 2013, and a member of Young Presidents' Organization (YPO).



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