

cover story

created to meet client needs outside the firm's expertise. In other words, the successful firm does not overextend itself in self-interested pursuit of short-term profit.

Conclusion

The new legal economy has resulted in the business failure of a significant number of major US law firms, and many more smaller ones. Economic survival requires effective management and good business practices.

Properly conceived and implemented, such practices need not interfere with professionalism, and arguably they are necessary to it. In many respects, the greatest threat to professionalism is the lawyer or firm with an unprofitable practice, under increasing economic duress.

It is there where temptations to compromise independence (creating conflicts of interest), breaches of client loyalty (including preservation of client property/trust accounts), or overreaching in the pricing of legal services (gouging) are likely to occur.

Clients, lawyers and the public all benefit when law firms are operated profitably with the application of management values and principles that enhance the ability of the lawyer to serve the client competently and efficiently, maintaining the highest standards of professionalism.①

Fellowships for young Australians

Applications are now open for the innovative leadership program, the Vincent Fairfax Fellowship.

Managed by the St James Ethics Centre, the Fellowship is a program which supports the development of Australians seeking to carry out their roles in society with integrity.

individual projects

Fellowship provides for full participation in a program covering 10 weeks during an 18 month period and includes individual projects (of an applicant's own design), in a country of choice in the South East region.

Participants are also asked to travel to remote Australian locations where they gain insights into these challenging environments.

For more information, see the website at www.ethics.org.au or contact Antoinette Simon on (02) 92999566 or fax (02) 92999477.①

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Ward Bower will be appearing at the World Masters of Law Firm Management on 30 August in Sydney. For more information, go to <http://www.lawcouncil.asn.au/gps/worldmasters.html>, or contact the GPS Section Administrator on (02) 6247 3788 or gerard.oneill@lawcouncil.asn.au to register your interest in receiving a brochure for this event.

1. See Bower, Ward, "The Big Picture", Report to Legal Management, Altman Weil Publications, Inc., Newtown Square, PA, December, 1986, p. 1.
2. See, generally, Galanter, Marc and Palay, Thomas, *Tournament of Lawyers*, University of Chicago Press, 1991.
3. See Haigh, David, "The Power of the Brand in Professional Services", International Law Firm Management, Euromoney Publications, Ltd., London, March 1995, pp. 16-18.
4. Survey of Law Firm Economics, Altman Weil Publications, Inc., Newtown Square, Pennsylvania, 1995, p. I-14.
5. See "New Competitive Threats for Law Firms", Report to Legal Management, Altman Weil Publications, Inc., Newtown Square, Pennsylvania, Vol. 21, No. 7, April 1995, p. 1.
6. *Ibid.*

APLA position papers on insurance premiums

If you're arguing about whether litigation is to blame for the rising cost in insurance premiums, the Australian Plaintiff Lawyers Association has two position papers which may assist.

Issued earlier this year, the position papers outline the arguments against blaming litigation, instead pointing at the insurance industry itself.

"The recent crisis in the industry is due to a number of factors," one of the paper's states.

"These include excessive cost cutting and acceptance of poor insurance risks during the intense competition for market share, decline in investment returns due to the global economic slowdown and steep rises in the cost of reinsurance on the global market."

For copies of the papers go to www.apla.com.au or contact the Law Society on 89815104.

Asylum seekers detained too long: Law Council

The Law Council of Australia has welcomed the Federal government's review of some aspects of their mandatory detention policy but says they haven't gone far enough.

LCA President Tony Abbott says detention without trial should only be necessary for a limited period.

He says the Council has expressed its concerns to the government.①