


7-18-1992

## Interview with Jim Stoner

Dr. Joseph M. Juran Collection

Follow this and additional works at: <https://nsuworks.nova.edu/juran-transcripts>

 Part of the [Business Administration, Management, and Operations Commons](#), [Management Sciences and Quantitative Methods Commons](#), [Operations and Supply Chain Management Commons](#), [Organizational Behavior and Theory Commons](#), and the [Strategic Management Policy Commons](#)

---

### NSUWorks Citation

Dr. Joseph M. Juran Collection, "Interview with Jim Stoner" (1992). *'An Immigrant's Gift': Interviews about the Life and Impact of Dr. Joseph M. Juran*. 13.  
<https://nsuworks.nova.edu/juran-transcripts/13>

This Transcript is brought to you for free and open access by the NSU Digital Collections at NSUWorks. It has been accepted for inclusion in 'An Immigrant's Gift': Interviews about the Life and Impact of Dr. Joseph M. Juran by an authorized administrator of NSUWorks. For more information, please contact [nsuworks@nova.edu](mailto:nsuworks@nova.edu).

3/28

Jim Stoner  
P. 1

(REEL 5 & 6)

: The spelling of your name? Your title?

STONER: It should be Professor James A. F. -- both initials -- Stoner. S-T-O-N-E-R. Professor of Management Systems.

: At?

STONER: The Fordham Graduate School of Business. Couple blocks away from here. It wazs very convenient for me.

: What makes it unique, TQM, in the legal profession.

STONER: Well, I -- what's striking for me is that's, in many respects, not unique. I'm very struck by the fact that this management technology that we call Quality Management, Total Quality Management, or whatever, applies everything.

And the work we have been doing at Fordham -- we, meaning other professors like myself -- been doing at Fordham currently is involved in looking how Quality Management's applicable everywhere.

Now, many people agree the least likely place that will -- the place that will never do Quality Management is law practice. And we don't believe that.

STONER P1/R5  
STONER  
STONER  
STONER  
STONER  
STONER  
STONER  
STONER

And what we've done is run -- we've run a course in the Fall term, in which we had lawyers from corporate law firms and -- corporate legal departments and law firms and the IRS, and a professor come and talk about Quality Management and law or legal services.

: Most lawyers think they're already practicing law as well as it can be practiced.

STONER: I'm sure they do.

: What do you say to someone with that position?

STONER: Well, that's a tough one, because they're very comfortable with what they're doing, and think they're very good at it. I think about what's been coming into the law practice as a new way of managing and doing their work.

And lawyers don't think about management. Management is just something else that doesn't belong in their life. It's serving clients.

And what I say to them is: think about the cars you drove many years ago that you were lucky if they started on cold winter days. And the televisions you bought years ago.

And things that we used to buy and put up with before we found much, much better ways to make them.

STONER P2/R5  
STONER  
STONER  
STONER  
STONER  
STONER  
STONER

So when I bought a -- when I first bought my first TV as a kid, I bought a service contract with it. Now, if you buy a TV, if anything goes wrong in three years, you're enraged.

TV-  
Anything  
you  
worry  
in 3  
yrs-  
you're  
enraged

STONER P3/R5  
STONER

And the difference is the way we make 'em. The management technology we use. Well, the same technology's applicable to the law firms.

: In products, feedback is immediate, not in law. Lawyers don't get feedback that quickly.

STONER: Lawyers will say that. It's interesting. I'm -- if I think of services, legal services, in many respects, I think the feedback from services is much, much faster than it is in products.

I can consume -- I eat eggs in the morning. That's a product. What is that doing to my body in cholesterol. Feedback's very, very slow in many respects.

speed  
of  
feedback

STONER  
STONER  
STONER

In legal services, as in many other practice -- you're right -- it can be slow, but it also can be very quick.

STONER

Federal Express: they provide delivery of package services. They're feedback is real, real quick. If it's not there by 10:30 in the morning, they've failed. Many services have very quick feedback.

FED  
EXP

STONER

Jim Stoner

P. 4

If I invite a lawyer in to help me with a problem, I can tell in 15 minutes whether or not he's helping me, usually. The feedback is instantaneous in my times.

: Tell me about your criteria.

STONER: For quality of law?

: Sure.

STONER: That's a wonderful question. I wish I knew more about it. I tried to think through that and -- in preparation for talking about it right now.

And I thought of three different kinds of dimen -- services that lawyers perform. And each one of them has maybe some different quality dimensions.

One thing is, lawyers are called in to deal with emergencies. I need a lawyer now. I'm having trouble with a publisher; I've had trouble with my publisher sometimes. So I call a lawyer in, and I need that lawyer today. This hour.

And quality is being available right now -- and that's sometimes very hard for them to do, with their other requirements. And I appreciate that when they can do it.

STONER P4/R5

STONER

STONER

STONER

STONER

STONER

STONER

Jim Stoner

P. 5

And then, beyond that, if they can't do it now, it may not -- there may be no other dimension of quality that's relevant.

But then there's other things like how they relate to me, whether or not they make me feel like a fool for getting into the circumstance or for not calling them in sooner. That's very important, I think, to many clients -- customers.

*CRITERIA  
for  
good/  
LAW  
PRACTICE*

And then the quality of the advice they give -- the nature, the usefulness of the advice.

A second thing you might use lawyers for is to produce a legal product, a contract, or something like that. There, I think -- by the way, I'll say there's three things common to -- one thing common to all three of these of things I'm going to talk about.

There, I think, efficiency, using time well, getting it done, and then, of course, developing a good contract.

Something that doesn't bite me -- as you were suggesting -- doesn't bite me in the behind five years later, because they missed something important.

STONER P5/R5  
STONER  
STONER  
STONER  
STONER  
STONER  
STONER

The third I -- occurred to me that lawyers do is they coach, they advise, they counsel, they guide us in a counseling, mentoring almost, way as managers or as investors or as writers -- to be doing the preventive kinds of things that keep us from getting in trouble, not to make mistakes.

For those three things, I think quality has different dimensions.

The one dimension that occurred to me -- I was just thinking about this -- common to all is that they don't create non-work. They don't create re-work. They don't create unnecessary delays.

I think in all three of those areas, lawyers can do damage. And in some respects, maybe, the most important things that lawyers do for quality is not damage the client. Sort of like the Hypocratic Oath.

'Cause many times, lawyers slow you down, or they get you into endless traps that you can't get your way out of. When they're messing up and they're not doing a quality job.

: Lawyers are paid by the hour with no motivation to do it faster. How can you say: you can do it faster without sacrificing quality of legal services?

STONER P6/R5

STONER

STONER

STONER

STONER

STONER

STONER

STONER: If you believe that management's a technology, and if the lawyers are willing to look at where this technology's been applied elsewhere, and willing to learn from it, one thing they'll find out is if you do the process right -- if you do it the right way -- higher quality and higher speed are correlated.

The faster you do it -- if you do it right -- the higher quality in many, many activities. Not always. It's not that simple.

But we've learned an awful lot in producing ser -- other services, and producing all kinds of products, that the longer it takes -- it's usually taking longer 'cause you're doin' it the wrong way and you're allowing all kinds of mistakes and errors to creep in.

For example, I may need advice right now to deal with a circumstance. If the lawyer's advice is delayed too long, he may be advising me on a circumstance that's changed, and may be useless. I have to go back for the same advice again, because now the circumstance is different.

If he moves quickly, maybe I can take the actions to prevent it from getting worse.

: Lawyers will tell you it's non-repetitive.

STONER: A-h-h, give me a break!

STONER P7/R

STONER

STONER

STONER

STONER

STONER

STONER



: Every situation is different.

STONER: Give me a break!

: We don't make widgets. We are asked for opinions.

STONER: I believe a lot of lawyers believe that what they're doing is not repetitive. And that a high proportion of their work is not repetitive. I think they do an awful lot of repetitive stuff, in two dimensions.

*REPETITIVE IS*

They produce contracts. Every contract's unique. Well, so's every Taurus automobile unique, almost. Certainly every lecture's unique, that I give.

And yet there's a lot of similarity among Taurus automobiles and lectures. And a lot of similarity among contracts. As companies that are leaders in quality in the legal function have discovered.

They find there's a lot -- they find that they can set up their computers, their word processors, to be able to assemble a contract much, much faster, and with higher quality and lower chance of error than if they take out the quill pen and start trying to write a new one each time.

STONER P8/R5

STONER

STONER

STONER

STONER

STONER

STONER



So some things are very similar. Also, the processes of giving advice have similarities. The processes of relating to a client. Certainly the processes of billing a client have similarities.

If lawyers look at what they're doing as processes, they may well come to the conclusion -- as many of them have -- that it's striking how many times they do the same thing, not how few times.



4

:

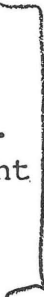
What's the proof of the need in the legal profession?

STONER:

I think there's a bunch of reasons why some law firms are starting to look seriously at quality. And why it also should be observed that a lot of legal departments in quality companies -- leading companies in quality -- are doing very exciting stuff in quality.

The reasons why law firms versus legal departments -- the reasons why law firms should look seriously at this area I think are many.

One is competition. There's a lot of law firms out there and a lot of them are slimmin' down, a lot of them are bustin' up. You need something to be able to serve client needs, customer needs, effectively in competition with the other law firms.



2

STONER Pg/R5

STONER

STONER

STONER

STONER

STONER

STONER

I've talked to the chief legal officers of a number of corporations -- that use law firms.

And asked them: if a law firm were set up, a brand-new one, almost kids out of law school -- maybe not quite that new -- that a deep commitment that convinced you that they were serious and competent to use quality management principles, in their legal work and running their firm, would you give them a real, serious look.

Maybe throw them a little bit of business to see if they could do the job? Every one I've spoken to has said: we sure would. We're asking our legal firms, our counsel, to start doing this.

So one thing is competition. The second one, as I imply there, is that the -- the clients, the corporate clients, are saying: we want you to do this.

We're doing it. It's time you started. You're doing too much re-work. You're taking too long. You're wasting our money. So start doing it.

I think there's a bunch of other reasons: first of all, managers have found out, in products and other services, there's just a lot more fun to do business this way.

STONER P10/R

STONER

STONER

STONER

STONER

STONER

STONER

The legal counsel, in businesses, they just have more fun.

Law is more fun to practice when you're not doing re-work and wasting time and doing the wrong stuff.

I think there's probably a few more reasons, but those are the ones that come up for me. Let me look down at my notes for a minute.

(OFF CAMERA DISCUSSION)

: What you're calling re-work, law firms may call checking.

STONER: Inspection.

: Checking each other's work.

STONER: How did you learn so much about the skill so quickly?

The re-work question. I think lawyers do tend to think that -- what I would call re-work -- what I would call re-work is something that's necessary. We used to think that many of the inspections we did in manufacturing and services were necessary.

We've learned that you can set the processes up right, so that you don't have to do the inspections. You can teach people how to inspect themselves.

STONER P.11/R

STONER

STONER

STONER

STONER

STONER

STONER

2

4

I can't guess what's going to happen in the legal profession. I can't guess accurately, but I can guess.

I would suspect that much of the checking that we do on each other as lawyers, we will discover can be done by ourselves. Self control, self checking, is part of the methodology of Quality Management.

4

It's got to come to legal practice, too.

: Motorola says shorten the cycle time. Can lawyers see if the quality is as high as they think?

STONER: What can lawyers look at in the firms to tell whether or not they're turning out quality. Well, the cycle time analogy that we've talked about, I think is very important.

Cycle TIME

If we're talking about manufacturing a product, and we reduce cycle time, that may not make a lot of difference to a customer -- it may or may not make a lot of difference to a customer, if we're producing a fairly standard product. The manufacturer may be the only beneficiary.

In legal practice, cycle time is almost, of itself, a quality dimension. It also is in manufacturing, sometimes, by the way.

4

STONER P12/R  
STONER  
STONER  
STONER  
STONER  
STONER

But in a law firm, if I can get the job done faster for a client, that's almost always directly useful for a client.

Add to the fact that, in many cases, faster cycle time is associated with reduced errors, then I've got a better product and a faster product, and both of those are usually very valuable to a client. They don't want to wait for their legal work.

: For which I bill less.

STONER:

One of the hardest things for the law firms, I think, is to handle the fact that they bill hours. And they're used to feeling that, somehow or another, you know, success is billing a lot of hours. And it is.

I don't know what's going to break that. I think there is a built -- in that system, as every lawyer I've talked to will admit -- there's a -- built into that system is a bias towards taking as much time as possible, within reason, and within fairness, but not rushing it. Billing hours.

That's how I'm evaluated. That's how my partnership income is frequently allocated. That's how I get to be a partner, when I'm an associate. It's built into the culture.

Billing Hours

STONER

P13/R

STONER

STONER

STONER

STONER

STONER

STONER

4

11

22

The only thing that I can think of that's going to break through that, is competition by firms that say: I can bill at a higher rate, I can bill on a value basis, or I can at least get work because I can do it in half the time of my competition because I'm doing it right.

And after a while, when a few firms do that -- by the ways it's -- the competition's occurring directly right now with legal departments in firms versus lawyers.

Firms are taking work in -- I'm sorry -- corporations are taking work in-house --

(OFF CAMERA DISCUSSION)

STONER:

I think one of the barriers to adoption of this way of managing, this way of doing -- delivering legal services, is the question of billing.

Lawyers have deep in their culture that they make partner, they get their partner income -- to some extent -- they make their contribution to the firm by billing a lot of hours. And by billing other people's hours. Their associates' hours and their other partners' hours.

That's what -- that's how a law firm runs itself.

STONER P14/R

STONER

STONER

STONER

STONER

STONER

STONER

And TQM will enable them -- Quality Management -- will enable them to get the same amount of work done, at a higher quality, faster, with, therefore, with fewer hours.

STONER P15/R

4

I think the thing that's going to break through that -- two things -- some law firms will start doing it.

STONER

*Effect of Competition*

Some law firms will start being able to produce what my law firm -- I'm not a lawyer -- what my law firm can do in ten hours, they can do in five hours. Or maybe 50 hours versus 100 might be a fairer comparison. Some other law firms will do it a lot faster. I'll have to compete with that.

STONER

STONER

Right now and immediately occurring is law firms are losing business to corporate legal departments.

STONER

2

And they're losing business to corporate legal departments because the corporate legal departments -- using a quality methodology -- can do it faster and better. Higher quality, lower cost, fewer hours.

STONER

I don't think very many lawyers are going to have the incredible wisdom and insight to say: hey, we can still have a very successful business by billing half as many hours.

STONER



And we can do higher quality work and bill a little more at a higher rate because we're doing that.

I think they're going to have to be pushed to it. But there will be a few. There will be a few lawyers starting up, a few firms saying: hey, we can do twice as much business if we can do it in half the time.

And if we do it in half the time, half the billable hours, half the calendar time to get it done, we can bill 20% more, we'll make a lot more money, we'll do a lot more business. Somebody's going to start doing it.

: Is there cost of poor quality in a law firm?

STONER:

Is there a cost of poor quality in a law firm. Is there ever a cost of poor quality in a law firm. The basic concepts of cost of quality or cost of poor quality, directly applicable to a law firm.

*Cost of poor Q in law firms*

Errors that aren't prevented. A cost of inspection. The pain that goes to the client when something gets out of a law firm that shouldn't. There's the cost that they catch in the firm and have to do re-work.

Much of the work lawyer does in checking the work of another lawyer is a cost of poor quality.

STONER P16/R

STONER

STONER

STONER

STONER

STONER

STONER

2

But the big cost will be -- will be, of course, always what gets out of a law firm.

Now, what may be very special in a law firm -- or maybe read to be very, very aware of -- is that with this way of doing law, this way of managing, if you don't do it you may be very open to malpractice suits.

I've got a friend who said, oh, six, seven years ago, that one of the best defenses against malpractice and product liability suits -- malpractice for lawyers -- will be that you're using a technology that prevents errors.

If you don't manage yourself, as a law firm, in ways to prevent you from making mistakes, you are wide open to being sued for malpractice.

It's like a doctor that doesn't use reasonably current medicine. I mean, if you operated on my broker leg without giving me anesthesia, I'd be pretty annoyed, and probably sue you.

Well, if you handle my legal business without using effective teams in the firm -- without using para-legals at one-third the cost, one-quarter the cost of a lawyer, when they can do the work -- you're wasting my money.

STONER P17/R

STONER

STONER

STONER

STONER

STONER

STONER

Now, when you start making mistakes on it. You start -- you don't have a well-organized document system, and you present my case without four major documents that are lost under somebody's desk some place in the firm, because it's all scattered around rather than organized.

Or you haven't searched the -- your other cases well and lose the case.

And, you could have prevented that if you'd been organized well, if you use quality practices, quality processes. You're wide open to a law suit.

I think we're getting a lot of change when a couple of law firms get sued for -- for not using this technology.

: What do you see the biggest inhibitors to QM taking hold in law firms and consequences of not practicing quality?

STONER: I think the biggest inhibitors of law taking hold in -- the biggest inhibitors --

I think the biggest inhibitors of quality taking hold in a law firm is -- are, first of all, number one, the billing practices. That's an awful hard one to get over. Almost all the other ones I don't think are that critical.

STONER P18/R

2

STONER

STONER

STONER

STONER

STONER

11

STONER

You may be missing some -- you're missing some of the things that legal departments have in corporations.

It's hard to see strong top management leadership that has already succeeded in quality -- as the legal departments have in Motorola, Liondell Petrochemical, and many other companies.

Many law firms don't have a managing partner who's powerful enough to really drive something through. Lawyers can always get up and leave, if they don't like the way they're being managed. And so you can't force it.

I don't think quality should be forced anyway. But it's not that easy to do.

Interestingly enough, when we talk about the barriers to adoption of quality in law firms, I think much more the opportunity -- the facilitators, the things that make it easy.

Things that make it easy are law -- many lawyers have a deep commitment to quality, to excellence. They really want to serve clients. They really want to do a good job. They don't like messing up. They don't like wasting time.

Many of them would really rather get the job done in three hours and go on to the next client who's waiting for them, than take 12 hours to do it.

STONER P19/R

STONER

STONER

STONER

STONER

STONER

STONER

So, first of all, the driving force is the individual desire for quality and excellence of many, many lawyers.

I think other driving forces -- and unique opportunity in law firms -- is many law firms are kind of like little independent businesses. That makes it hard to bring all the businesses along at one time.

But it means quality can start in any one of the little businesses. Any lawyer can say -- running his own little shop there -- can say: hey, we're going to start doing it here.

They can demonstrate such success with their clients that the other lawyers and the managing partners can say: hey! You got something.

In many respects, law firms have an advantage that corporations don't have. It's much easier for one lawyer to bring quality into a hunk of the firm as a complete -- almost like a complete business -- than it is for somebody in a corporation to do it.

And, it's happened over and over in corporations. Somebody has shown the way and then top management has found out what's going on, and then it's come from the top. But very frequently, it starts some place in the middle for a while, and then top management gets convinced.

STONER P20/R

STONER

STONER

STONER

STONER

STONER

STONER

3

So lawyers have a great opportunity that way.

: To prove it works, what are some of the projects that are most visible?

STONER: I think there's a whole bunch of things. There's projects that lawyers can undertake and there's ways of being that lawyers can use.

Things I've seen are things like forming contracts. Alternative dispute resolution is like a piece of business that lawyers can do. And that can be very powerful. And that's very consistent with Quality Management.

Surveying customers. Finding out what your customers really want for you -- from you. A lot of law firms are starting to do that now. That's probably the place where quality is most clearly starting in law firms, systematic quality, is asking customers what they want.

When you ask customers what you want, you very frequently find that you can serve them better, faster, and with more value to the customer, they're willing to pay for.

Another area I think is very important is moving much more towards working in teams, much more collaborative egalitarian basis.

STONER P21/R

STONER

STONER

STONER

STONER

STONER

STONER

That's got immediate financial pay-off for the lawyer.

When you can get para-legals to be excited and turned on because they're doing great work, and many pieces of the work of the same quality as any lawyer can do, then you can -- you can serve your client much more inexpensively and more profitably for you.

So I think bringing the empowerment dimension to law firms. Letting people who are not, quote, "lawyers" contribute as much as they're able to, to the work.

: Where's the gold that says catch the attention of the partners?

STONER: What's a good one to have the law firms to grab onto. Beyond cust -- beyond serving customers -- I'm sorry -- what's a good one for lawyer --

What are good places for law firms to start. Besides, I think, a very powerful one: surveying customers to find out what they want. I would say that -- I would say that studying a process that the law firm does a lot and improving it.

Writing contracts, preparing litigation -- organizing for court cases -- organizing those processes on a team basis.

STONER P22/R

STONER

STONER

STONER

STONER

STONER

STONER

Studying 'em, improving 'em, is probably a very good place to start.

You definitely want to start where it matters. Some companies have started saying: you learn to do team-base Quality Management by taking a simple project and studying it and getting good at it, then you do something serious. I don't think it's a good idea.

Start with something that really matters. And so start with -- start with a major case. Start with something that's really important to the firm law. Start with a major process. Something you do a lot of that's really important.

Start with your distinctive competence. Maybe start with your very best corporate -- law -- firm experiences are.

(OFF CAMERA DISCUSSION)

STONER:

Lawyers stand in a long line of people who said: quality can't be done in my business, in my activity. They stand -- a long, honorable -- they stand behind American managers and said: hey, you can't do quality; that's Japanese management.

They stand behind services. The whole service area, and said: well, you can do quality manufacturing, but you can't do it in services.

STONER P23/R

STONER

STONER

STONER

STONER

STONER

STONER

STONER

4

11



They stand behind people in the corporate legal function, who said: well, you can do quality in services and manufacturing, but you can do it in the finance function. ... finance.

They stand people in accounting and said the same thing.

Lawyers are just one of a group of people who said, systematically, Quality Management applies everywhere, but it doesn't apply in my case, 'cause I'm unique. Everybody's been unique.

Lawyers aren't ... any different than anybody else. And the legal departments in corporations are proving it. Soon some law firms will prove it.

: Law departments in corporations are different.  
STONER: They are..  
: They operate within the corporate set-up.  
STONER: They have a lot of advantages.  
: Japan had crisis. Where's the crisis for lawyers?  
STONER: Lawyers don't --

STONER P24/R

STONER

STONER

STONER

STONER

STONER

STONER

STONER

It's interesting that some people say:  
there's no crisis in the legal practice,  
because --

(OFF CAMERA DISCUSSION)

: American Lawyer says there's no crisis.

STONER: An awful lot of companies adopted quality  
because there was a crisis.

And a lot of lawyers say: well, there's no  
crisis in our profession, so what's to drive  
to adopt quality? Systematic quality. I  
think there is a big crisis in the legal  
practice. There's an enormous crisis.

Lawyers are demoralized. Many of them don't  
like the ways -- the way their firms are  
run. Many of them are discouraged the way  
they do their work. Law firms are going out  
of business.

*CRISIS  
IN LAW  
FIRMS*

That's no crisis for the ones that remain,  
but for the ones that are failing there's a  
-- law students don't get jobs -- right now.  
And our whole legal system as a system maybe  
makes us uncompetitive globally.

There's all kinds of crisis. There's crisis  
in law firms that are failing. There are  
crisis with students that can't get jobs.  
There are -- there're crisis of people they  
wait five years for a case to get tried.

STONER P25/R

STONER

STONER

STONER

STONER

STONER

STONER

2

The whole legal system needs a dramatic improvement in its processes of quality.

② ✓

STONER P26/R

But where it really matters is for the private law firm. For the partner in a law firm. I think it that they've got to face the competition that's growing from corporate legal departments, that's going to come from other law firms.

STONER

You have a choice. You can adopt it now. You can adopt it later. Those who adopt it early, are the ones that really benefit from it. A Toyota, Nissan, Japanese companies, Mazda adopted quality early.

STONER

Ford, GM, Crysler adopted it late. They're paying the price. In Quality Management, the early adopters get major strategic advantages.

③ ✓

STONER

The law firms that adopt quality and get a head start on the other ones, are going to leave the other one -- leave the remaining ones in the dust.

STONER

: Physicians compared to lawyers. What's going to happen to the practice of law?

STONER

STONER: Well, I think that the medical practice has been influenced very much by regulations and administrative bodies that's forced it to practice in a particular.

STONER

For lawyers, it's an analogy. Their corporate legal departments are pressing law firms to manage in a particular way. I think there's a big difference.

The pressures -- many of the pressures on doctors are for more paperwork, for more delays, for -- and more reasons to be afraid. more interference.

What the law departments of quality companies are offering to law firms is not more pressure, not demands to do things particular ways -- they may be heard that way. What they're offering them is a model. A set of practices, of procedures.

And coaching. I think every legal department in the country, just about, that's doing quality work, would love to help its law firm do better work. They're really offering them coaching advice help on how to do their own practice much, much better. That's a good deal.

I wish we had more of that in -- there's some of that in the medical practice. I wish there were a lot more.

Someone said: we don't ask our clients questions, they come to us for advice.

STONER P27/R

STONER

STONER

STONER

STONER

STONER

STONER

STONER: You know, I think one barrier to -- to using Quality Management approaches in legal practice is this sense -- this definition of myself as a professional. Of a lawyer's professional. My -- I'm a professor. Defining myself as a professional.

*DEF OF Professional = Barrier To*

We're supposed to know more about our expertise than our clients are. That's why we're there.

If we listen to them too much, or to ask their advice, somehow or another we're not being, quote, "professional". Not only are we supposed to know more about our field, of course, than our clients, but we're supposed to know it in a very special way.

We know what's good for them. And they don't. That kind of arrogant -- unlistening -- self-centered view of many professionals is a real barrier for lawyers.

Lawyers, I think, are -- frequently make the mistake of thinking they know much better than the client, what's good for the client. And that's one of the big traps lawyers fall into.

Lawyers -- in law school they teach you that's a trap. Make sure you listen very carefully to your client.

STONER P28/R

STONER

STONER

STONER

STONER

STONER

STONER

Make sure that you let your client make the decision; don't make the decisions for your clients. They teach that. Maybe they don't teach it too well.

I think the sense that I'm a professional and I know what's good for you. Professors think they know what's good for students. We'll teach you what you ought to have.

Well, we're learning that very frequently our students can tell us what they need far better than we can guess.

I think for a law firm that doesn't listen to the quality leaders in legal practice; doesn't listen to what they're saying about what they and other clients need, is just blind to the most valuable resource they have.

*IRS -  
AHEAD  
IN  
LEGAL  
FUNCTIONS*

The exceptional resource for law firms, right now, is corporate legal departments. And, ironically, other legal departments -- like in the IRS. We had a guest speaking in our seminar from the IRS. The IRS is ahead in its legal function of virtually every law firm in the country.

I'd like to tell you about a seminar we did at Fordham in the winter term. We had guest speakers from two companies that were leaders in quality, legal departments. Two law firms. Someone from the IRS legal function. And a law school professor.

STONER P29/R

STONER

STONER

STONER

STONER

STONER

STONER

I'll tell you what's funny about the seminar, and when we look back on it when it's over.

The status hierarchy, the pecking order, I believe, in the legal profession, is at the very highest -- I don't know where judges are, we didn't have any judges in there. But the very highest, I think is probably law professors.

Second are legal firms. Partners in law firms, people in law firms.

Third in important in hierarchy are corporate legal departments. And fourth is government practice. I'm pretty sure that's the way it goes. I don't know where individual law partners -- you know, individuals practicing law fii.

If you look at who understand a Quality Management technology, who's leading in it, you see exact opposite. Almost exact opposite.

The leaders in quality are corporate legal departments. The second best that we found were government legal departments. Not all of them. The third best, but really not having much of an idea about what quality management is, is law firms.

They don't know the names of Demming and Juran.

STONER P30/R

STONER

STONER

STONER

STONER

STONER

STONER

They don't know the names of many of the major contributors in quality. They -- and, last of all, law firms.

I mean, last of all are -- I messed --

(OFF CAMERA DISCUSSIONS)

STONER: The pecking order in the -- the status hierarchy -- in un -- in --

In understanding and using, starting to use, Quality Management practices, up-to-date management practices, professional practices.

*STATUS HIERARCHY*

The status hierarchy -- status hierarchy is just about the opposite. Almost exactly the opposite. The people who're doing the most exciting stuff and understand it -- understanding it and leading the way, are the corporate legal departments.

Second, are places and agencies, government agencies. Like the IRS legal function. That's way ahead of every law firm I've talked to so far, in using this way of managing. And that's not what you'd expect in status terms.

Third come probably the law firms, who are starting to ask some questions, and starting to do a few things right. But they don't know about the leaders in quality.

STONER P31/R

STONER

STONER

STONER

STONER

STONER

STONER

12



They don't know about Juran. They don't know about Demming.

They don't know about the people who are really the -- the well-known men in the field.

And, last of all, the law -- are the law schools. The law schools just don't -- just don't know what's going on in managing -- they don't even think about managing. What lawyers'll do an awful lot of.

They don't teach very much about how really to do your practice. And they know very, very little about quality practices. Behind, even, the leading law firms.

: What do you know about Joe Juran?

STONER: Well, I think he's just one of the really great men of our time. I think he's just a wonderfully modest -- excuse me? Yeah, yeah.

What do I know about Joe Juran. I don't think of him as Joe Juran, I think of him as Dr. Juran -- although he doesn't you know, act like a doctor.

12/2/25/100

I think he's one of the really great men of our time. I think he's a very modest man. Made wonderful contributions. He's always caring and gentle with people -- that I've seen. He makes you feel like you know a lot.

DOCU-MENTARY

STONER P32/R  
STONER  
STONER  
STONER  
STONER  
STONER  
STONER

You know when you're with him, that you know practically nothing. He's ... organization I like very much. A lot of my good friends in that organization. But he's made exceptional contributions.

Let me say -- let me say one more thing about Joe Juran.

I'm a management professor. And I think probably the -- one of the best management books ever written is a book called, Managerial Breakthrough. A book that he wrote in 1964. That's starting to be -- starting to be learned about by management professors but virtually unknown in our field -- for three decades, almost.

And it's one of the best management books available.

Corporate Culture was a hot item in management about ten years ago. It still is. It's a very important ... He wrote stuff in Corporate Culture almost three decades ago that's as good as the stuff that made other famous 20 decades -- two decades later.

So I think he's a great guy.

: What will history say about Joe Juran?

STONER P33/R

STONER

STONER

STONER

STONER

STONER

STONER

STONER

DOCUMENT

STONER: Well, I think he'll say he was very -- I think -- I think how history will regard Joe Juran is in many respects -- although history isn't too good as this subject -- as a person.

12143158

As a person who was very committed to what he was doing. Who was right out in the forefront of the field. Moving the envelope -- pushing the envelope back in management theory and practice. That accomplished a great deal, but with a lot of modesty.

Document  
March

And I think he'll be remembered as a -- as a gentle, caring, committed person who happened to have an incredible insight into a management revolution that he helped create.

: There is no Juran Prize.

STONER: Well, there almost was, though. There almost was a Juran Prize.

: What did Demming do? What did Juran do?

STONER: When you talk about Demming and Juran, I think it's a real mistake to put too much emphasis on what they did that was different. What they did that was similar, I think, is what's very powerful in the country, and for the world.

They both saw the importance of variation and processes. They both saw the possibility for empowering people.

STONER P34/R

STONER

STONER

STONER

STONER

STONER

STONER

They saw the importance of managing processes. They had an incredible insight, driven out of understanding of processes and statistics and variation.

An incredible insight into how you run a business. How you produce a product. And they both worked hard from very different angles. Kinda like the good cop and the bad cop.

*Demming  
beats  
you up*

Demming whom I love dearly -- just as I have enormous respect for Juran -- is really a hard guy, in big public ... And he kind of beats on people. He cares, loves 'em. But it doesn't seem like it when he's beatin' up on you.

Juran's always a very gentle and caring and would never embarrass anybody, I don't think.

So they come from different ways. Both coming from love, I think. Both caring -- caring about -- about not just doing good work, but joy in work. Caring about people having work that's meaningful and empowering.

And I think both of them are committed very much to having people's work pay off for them. Be worthwhile.

: Why are you looking at management and law and quality?

STONER P35/R  
STONER  
STONER  
STONER  
STONER  
STONER  
STONER

STONER: The good question as to why Fordham's looking -- why the business school's looking at quality in law. Why a management professor jointly teaches a course and a seminar in quality in law with a law professor from the business school.

The work we're doing at Fordham is a continuation of work we started in '86. In '86, through the influence of Juran and Demming and others, we decided that there was a management revolution going on. And it was not a trivial change. It was a paradigm shift. Something major was happening.

Through the leadership of a member of our faculty -- Marta Moody -- and a couple other ones, I got convinced. Also, I joined what they had already started.

In '86, we threw away our basic management course and replaced it -- first school in the country -- and so far, I think, the only school in the country to do it, so far -- replaced it with a management course, required management graduate/under-graduate course in quality.

... but what does management look like when you're really doing it right. When you're doing Total Quality Management.

STONER P36/R

STONER

STONER

STONER

STONER

STONER

STONER

We did that in the Fall of '86, and Winter of '87. Next term. We did the same thing with our production course. And then we taught some other advanced courses.

In '89, our students were coming in from the finance area -- not the lawyer area -- coming in from the finance area -- many of our students are finance majors; most of them are -- and saying: hey, in management you teach us that you should have a long-run perspective.

And the purpose of the firm is to exceed customer expectations. In finance, you tell us that the purpose of the firm is to maximize share price. What's going on? They don't sound like the same to us.

And so we did a seminar in '89, in which we looked at finance and quality.

The time we started it, people were saying: there's nothing happening in corporate finance and quality. So we found out there was a lot of good stuff.

And then we looked, couple years -- we continued to look at finance and quality and did -- and are doing research in that area. Eventually, we did accounting.

STONER P37/R

STONER

STONER

STONER

STONER

STONER

STONER

And people started saying to us: you'll never do it in law firms. You can never do it in legal practice; legal services don't lend themselves to quality. So we put together a seminar.

And the seminar we invited people from the best law firms we could find doing quality -- or starting to do quality. And that was tough. It's tough to find law firms that are doing systematic quality.

We found a couple that were just starting, but they were -- they were at the inspection stage of quality.

We invited corporate legal departments and they are -- they're doing stuff as good as their production departments. The legal departments in -- in the best -- in the best companies. The best legal departments are not behind anybody else in the corporation, any other function.

: Tell me about a corporate legal department who is achieving what a law firm aspires to.

STONER: I think the kind of stunning successes that you find in corporate legal departments -- two of them occur to me. Motorola and Liondell. You probably know a lot about Motorola already, so I'll talk about Liondell.

STONER P38/R

STONER

STONER

STONER

STONER

STONER

STONER

STONER P 39/R  
STONER  
STONER  
STONER  
STONER  
STONER  
STONER  
STONER

Liondell came awful close to winning the Baldrige Prize -- the Malcolm Baldrige National Quality Award -- this last Fall. I'm surprised they didn't. They're a really excellent company.

I talked to one of the key people -- David Lindsey -- in the company, about when the legal function joined the quality effort, and how they joined it.

He then told me -- he told me at the time -- and I've talked to the chief legal officer: Jeff Pendergraft -- that they weren't a follower. The legal department was a very early mover.

That one particular guy, Jeff Pendergraft, got right away how important quality was and what an opportunity it was for the legal department, and he joined right away, and he started doing good stuff in quality, excellent stuff.

*Liondell  
in  
law  
dept*

Kind of stuff they're doing is really simplifying their contracting processes. They found out that they were going through contracts for supplies of materials -- weeks and weeks after it is irrelevant to even to look at 'em, 'cause the materials were already been moving.



STONER P40/R  
STONER  
STONER  
STONER  
STONER  
STONER  
STONER

The ... already been moving through the company. They greatly simplified their process. Saved a lot of re-work time.

They were doing an inspection that was too late to matter and wasn't necessary, because they had already handled the processes correctly, but as lawyers, they thought they had to pore over the contracts. They greatly simplified the contracts.

So that now, they're out early enough to be meaningful. And they saved a lot of re-work time.

He's done a -- that department's done a lot to bring the legal members and the para-legal members into partnership. Reduce some of the status differences that work from getting done.

: Tell me before and after.

STONER: In legal area? I don't know if I can do that. Well, the example you may already have on tape.

Examples are moving rapidly in legal practice, I think of Rich Weiss at Motorola, talking about somebody coming into his office and asking for a contract.

Jim Stoner

P. 41

*Contract  
@  
insto*

And saying: can you wait a couple of minutes; turning around to his computer, playing with the keyboard for a few moments, and saying, excuse me while it prints out, and then handing him a draft of the contract that was essentially right, in a matter of just a few minutes or so.

Because they'd done the work to set it up easily. That seems to me like instantaneous.

: What have we not talked about?

STONER: I guess the most important single thing to say to law firms is you got a choice. You can pay me or you can pay me later. You can adopt TQM now or you can adopt it later.

Everybody that said it wasn't applicable so far -- American managers, because it was Japanese management; American service companies, 'cause it could only be done in manufacturing; finance departments of firms, because you can't do it in finance.

Everything we have looked at at Fordham in the movement of this way of managing, this management technology, says we've never found a place where it doesn't work.

I got a reasonable money to bet that law firms are not going to be the exception.

STONER P41/R  
STONER  
STONER  
STONER  
STONER  
STONER  
STONER

Jim Stoner

P. 42

That law firms are going to be one more place that this management technology, this way of managing it works in every country, and every industry, and every field, and every function, and every activity that it's been tried so far.

It's going to work there, too. So you got a choice. You can adopt it now and get the benefits, or you can adopt it later, when your competitors get the benefits -- if you're still in business.

Pay me now or pay me later.

Thank you.

(END OF REELS 5 & 6)

STONER P42XR  
STONER  
STONER  
STONER

12