GROUP 1 – KENNETH CHAN JIAN DA | OLIVIA TANG SHU HUI | NATHAN TANG EN CI | YOHANES WIGUNA | V DIVYA | WANG YILIN | CHAN JIANKAI

BOARD VS BONDS

THE BIGGEST DILEMMA OF HARVEY'S LEGAL CAREER

HARVEY SINGH SC

Harvey Singh SC

- Longest-serving CEO of Drew & Napier ("D&N"), Singapore's most venerable law firm that prides itself on having a close familial culture and is reputed for being an employer of choice.

- As a Senior Counsel, he is one of Singapore's finest legal minds

- Harvey has been cautious in driving AI adoption within D&N because he **believes that the practice of law is a time-honored profession, and that technology cannot fully replace the brilliant minds** of the top legal talents D&N recruit.

- Major decision to make on the eve of D&N's Annual Townhall.

BREWING CRISIS & BOARD MEETING

- D&N's **profits plunged for 3 consecutive years**, including a dramatic dip of 36% over the past year. This has been **deliberately kept hidden from D&N's employees**.

- D&N lost major clients to rival law firms, Allen & Gledhill (A&G) and Rajah & Tann (R&T), which have integrated AI to provide faster and cheaper legal services.

- At last month's Board meeting, the Chairman of the Board, Tania Tan, lambasted Harvey for D&N's poor financial performance.

SHOTS FIRED BY TANIA

"You are an old dinosaur who is out-of-touch with the evolving environment."

"Your strategic misfires and stubborn resistance to change risks ending the legacy of Singapore's most venerable law firm."

*"**If you do not start to adopt AI within the next 3 months and profits do not improve within 1 year, we will replace you**, and I will end your legal career in embarrassment."*

LEGALAID

Harvey tasked his team to assess AI adoption, which led to the recommendation of LegalAID, an AI tool that can quickly perform legal research and draft legal documents.

Benefits:
- Projected to increase profits by 40% over next 2 years.
- Preserve Harvey's position as the CEO and protect his personal legacy.

Costs:
- Retrenchment of 60 employees over the next 1 year, many of which have worked with Harvey for the past 35 years.
- Taint D&N's reputation as an employer of choice.

HARVEY'S COUNSEL ELAINE WONG

Elaine Wong, a **seasoned partner of D&N's litigation practice**, views that using AI to craft legal statements and arguments would erode D&N's very soul and identity. The risk is existential.

*"Harvey, this is wrong. D&N's rich legacy is built on the intellect and brilliance of our lawyers, not on machines. If we go down this path, we are not moving forward. We lose what makes us special. **Clients love us for our brains, not technology**."*

HARVEY'S COUNSEL
CINDY NG

Cindy Ng, a **librarian for 42 years**, is Harvey's close friend and is the reason why Harvey has built a close familial culture at D&N.

*"My dear friend, I do not know why you want to do this. I am sure you have your reasons. **Isn't the firm doing fine?** Have you thought of what this proposal will do to the soul of D&N? We are more than just a law firm. We are a family. Look at everyone in this library, including us, we have dedicated our lives here. **You always said that the strength of D&N was its people.** If you lose sight of that now, what kind of firm will we be left with?"*

DECISION POINT

Should Harvey approve the proposal to implement LegalAid and retrench 60 employees? Why or Why not?

FACTS

- Declining profits (36% over the past year)
- Profitability is kept at board level
- Harvey loses CEO position if AI not implemented (within 3 months) or profits not met (in 1 year)
- Familial ties are important to D&N for talent recruitment and retention
- AI-resistant staff (Elaine and Cindy)
- Key rivals (R&T and A&G) already adopted AI and are more efficient
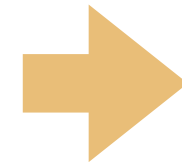
CHOOSE THE BOARD?

- Implement LegalAID within 3 months
- Retrench 60 employees
- Improve operating profit within 1 year

OR CHOOSE BONDS?

- Don't implement LegalAID
- Retain 60 employees
- Harvey likely to lose CEO position
- Profits likely continue to decline

DECISION POINT

Should Harvey approve the proposal to implement LegalAid? Why or Why not?

YES

Pros
- Financial turnaround, Board confidence
- Harvey retains his CEO position
- Competitive Positioning

Cons
- Human Cost, retrenchment of 60 employees
- Cultural Erosion
- Reputational Risk

NO

Pros
- Preserves Firm Culture and Loyalty
- Staff Morale and Retention
- Values-Based Leadership

Cons
- Risk of CEO Dismissal
- Ongoing Financial Decline
- Falling Behind Competitors

ONE
LENS

FRAMEWORK – INTEREST AND INFORMATION ASYMMETRIES

Information

	Symmetric	Asymmetric
Interest		
Symmetric		Surface unique information
Asymmetric	Clarify divergent goals	

Edmonson, Roberto, Watkins (2003)

SUGGESTIONS FOR HARVEY

	Asymmetries	Recommendations
Interest	• **Board**: Cares about profits • **Harvey**: Cares about profits, firm culture and traditions • **Staff**: Cares about job retention and traditions	• **Clarify Board's Interests**: Better understand the target profit levels • **Clarify Staff's Interests**: Better understand why the staff may be resistant to adopting AI
Information	• **Board**: AI will improve profits • **Harvey**: AI will improve profits but will result in retrenchments, leading to poorer recruitment and retention • **Staff**: Firm need not and should not adopt AI	• **Surface Unique Information to the Board**: Share with them the importance of the familial culture for recruitment and retention • **Surface Unique Information to the Staff**: Share with them the firm's financial struggles

KEY TAKEAWAYS

- This case illustrates how leaders may face challenges in navigating conflicts between different stakeholders (such as between their boss and subordinates etc.)

- To manage this better, leaders can consider using the interest and information asymmetry framework to manage this:

  Step 1: Identify the Relevant Stakeholders
  Step 2: Identify Asymmetries in Interests and Information
  Step 3: Clarify Divergent Goals and Surface Unique Information

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THANK YOU

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APPENDIX

FRAMEWORK 2 - SUPPORTERS, PROMOTERS AND SKEPTICS

01

Map out the political landscape and identify stakeholder groups

02

Identify the key influencers within each stakeholder group

03

Assess influencers' receptiveness to change in each group

04

Mobilize influential sponsors and promoters in each group

05

Engage influential positive sponsors and engage negative skeptics

Ellen R. Auster and Trish Ruebottom (2013)
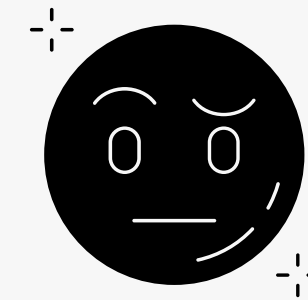
FRAMEWORK 2 - SUPPORTERS, PROMOTERS AND SKEPTICS

Supporters

Skeptics

Key Factors

Typically have "magnet factors"

Typically have "fear factors"

Action Plan

Aim to cultivate interest

Aim to address fears

Ellen R. Auster and Trish Ruebottom (2013)

SUGGESTIONS FOR HARVEY

How has Harvey done so far?

✅ Engaged some stakeholders (Elaine and Cindy)

❌ Did not identify key stakeholders in the political landscape

❌ Did not cultivate stakeholders towards possible organisational changes

How can Harvey do better?

Harvey can ask himself:

1. Which are the key stakeholders that he needs to engage?
2. How do they feel towards this change?
3. How can he then cultivate supporters' interests and address skeptics' fears?