



VIEWS&VISIONS

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Orrick Breaks the Mold with Global Operations Center

Ralph Baxter, Chairman Emeritus
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Ralph Baxter is Chairman Emeritus of Orrick, following nearly a quarter century as Chairman of the firm.

During his tenure as Chairman, Mr. Baxter launched numerous initiatives to enhance the quality and value of the firm's legal service. Those initiatives included the opening of the firm's groundbreaking Global Operations Center in Wheeling, West Virginia.

The American Lawyer magazine recognized Mr. Baxter in 2013 as one of the "50 Top Law Firm Innovators" in the 50-year history of the magazine. He also has been recognized by *The National Law Journal* as one of America's 100 Most Influential Lawyers.

Mr. Baxter has been an active citizen in West Virginia, including co-chairing Governor Joe Manchin's 21st Century Jobs Cabinet from 2006 until 2010 and serving on the board of the West Virginia Education Alliance from 2008 to the present. In 2009, he was inducted into the June Harless Education Hall of Fame at Marshall University.

Mr. Baxter received his law degree from the University of Virginia, his master's degree in education from Catholic University of America, and his bachelor's degree in history from Stanford University.

In September 2001, Orrick announced the creation of a "Global Operations Center" in Wheeling, West Virginia. This may have been the most important decision our firm has made in its 150-year history. Not only has it benefitted our firm and our clients, it has influenced the way the legal industry serves its clients, and it has demonstrated how sophisticated jobs can be attracted to our state in the 21st century.

Background for Orrick's Decision

Orrick is one of the largest law firms in the world, with more than 1,100 lawyers, located in 25 offices in the leading centers for business and law in the United States, Europe and Asia.

With offices in very expensive locations such as New York and London, the cost of our infrastructure is very high. So, in 1999, we decided to reduce that cost by relocating some of our support functions to a less-expensive environment.

As we got into the idea, we saw that we could do more than cut expenses. By centralizing functions in one location, we could do the work better, as well as at a lower cost. The resulting synergies and collaboration would increase efficiency and creativity.

Importantly, we were examining these issues at the dawn of the 21st century, when technology was transforming the way information was shared. It had become possible for our people to interact with the proposed new center in ways that would have been unthinkable at a different time.

Why Orrick Chose Wheeling

Our announcement in 2001 shocked the legal world, not only because we were the first law firm to create a purpose-built center independent from the law practice offices, but also because West Virginia struck some commentators as an unlikely place to locate. We received some quite derisive reactions in the legal trade press,



suggesting the idea was "bone-headed" and simply could not work, especially in West Virginia.

What Orrick had learned, however, through thorough research and analysis, was that Wheeling, West Virginia, was an ideal location for our project for many reasons. We had hired the relocation specialists at Deloitte to advise us. Based on Deloitte's study of potential locations in the continental United States, we identified several promising opportunities, but in the end found Wheeling clearly superior because of a unique combination of advantages:

- a qualified and dedicated workforce;
- a strong communications backbone;
- low real estate and personnel cost;
- an attractive facility and surrounding community;
- access via the Pittsburgh International Airport; and
- enthusiastic interest from state and local government and community agencies, giving us confidence that they would support us once the project was up and running.

Many competing locations had some of these advantages. None had all of them.

The GOC Is an Unqualified Success

Our Global Operations Center, which we call our "GOC," has been a huge success. We opened with about 75 employees in April 2002; today, we employ approximately 350 people and



The Orrick Global Operations Center, located in Wheeling, West Virginia.

continue to grow. To our initial “inward” focus on administrative work, we have added an “outward” focus, with lawyers and other professionals now located at the GOC working on our engagements.

So what exactly do we do at the GOC? Everything and anything that does not need to be done in the law practice offices. “Inward” functions include accounting, finance, technology, human resources, marketing and record keeping. “Outward” functions include our state-of-the-art e-discovery operation, as well as a wide array of assignments, which we “disaggregate” from complex engagements in our law practice offices.

The GOC has accomplished the goals we set for it. It has:

- built a dedicated and effective workforce;

- delivered output to the firm and our clients that meets our very high standards;
- enabled us to be creative and improve the efficiency of our work in ways that would not have been possible in the traditional fragmented set up;
- reduced our cost of doing business by millions of dollars each year; and
- demonstrated to our clients that we share their commitment to innovation and the pursuit of improvement.

And the support that we have received from state and local agencies and from the community of Wheeling has been even more than we expected. To be clear, the ongoing support is in the form of collaboration and pursuing mutual objectives, not financial support. A leading example is the cooperation we

receive from local community and other colleges to make sure we have the flow of trained personnel to enable our continued expansion.

Perhaps the best measure of the success of the GOC is the “sincere flattery” that our competitors have given us by copying what we did. Many of the other leading global firms have set up similar centers in Ohio, Kentucky, Tennessee and elsewhere. In addition, at least five leading global law firms have contracted with one of our collaborators, Williams Lea, to have much of their inward work done right up Main Street from us in Wheeling.

Lessons for West Virginia in the Success of Orrick’s GOC

I think our state can derive several lessons from Orrick’s experience:

- The 21st century opens new horizons for economic development; in the information age, we can attract very sophisticated jobs involving industries beyond our traditional energy, steel and chemical stalwarts.
- Demanding multinational employers will value the advantages West Virginia offers, such as its dedicated workforce and attractive communities.
- Enthusiastic and sincere outreach by state and local leaders can significantly enhance the state’s prospects of attracting new businesses.
- Our schools need to continue to focus on preparing our young people and retraining our experienced workers for the jobs of the 21st century; our increasing focus on STEM in the public schools and community and technical colleges is critical to continue to attract and retain the future employers we want and need.

Our state can attract many more facilities like the Orrick GOC, if we have the vision and determination as a state to make it happen. Just as Orrick appreciated the unique value proposition that West Virginia offers, others will, too. It is up to us. ▼