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Online Venture Invites Law Firms to Bid for Work

By Richard B. Schmitt



John Henry

In the early 1990s, John B. Henry II was a pioneer in brokering corporate pollution credits. "We created a market where people said you couldn't," Mr. Henry says. Now, he's moving on to corporate lawyers. The entrepreneur is overhauling how corporations shop for legal services. Corporations package legal work and solicit bids from law firms in an online auction. The firms bid against each other and send the cost down.

"I'm extraordinarily enthusiastic," says Christopher Mansfield, Liberty Mutual's general counsel. Online shopping for a corporate lawyer is "fast becoming a reality," he adds.

Boyden Gray, the former White House counsel, says auctions might be a good way for his firm, Wilmer Cutler, to capture new mergers-and-acquisition business, traditionally the domain of big New York firms.

Legal services for large corporations are a good candidate for the Web's leveling effect. It's a market that is huge and growing, says William Shank, the former top in-house lawyer at retailer Walgreen and one of Mr. Henry's advisers. Corporations spend about \$100 billion a year on outside law firms.