

FROM THE PRESIDENT'S DESK

Annual Convocation shines light on value of relationship building

Twenty years ago, Primerus established the PDI, short for the Primerus Defense Institute.

The PDI, as spelled out neatly on our website, revolves around a “collaborative endeavor engaging Primerus defense attorneys and corporate defense representatives for the purpose of lowering business litigation costs and reducing exposure to liability.”

It is a prime example of attorneys and clients working together “in a highly cooperative, low-pressure environment that leads to relationships built on trust,” as we note on the Primerus website in touting the benefits of the PDI experience. “Participating corporate clients are leaders in their respective industries, and participating defense attorneys, like all Primerus attorneys, meet the highest of quality standards.”

All that – and more – was on display April 18-20 at the 2024 PDI Convocation in beautiful Monterey, Calif. along the rugged and spectacular Pacific coast.

There, scores of PDI Convocation participants enjoyed the opportunity to learn from some of the finest legal minds in the profession and to develop new or to foster continuing business relationships.

For a number of those on hand for the three-day event, the 2024 Convocation was just one of many PDI gatherings they have attended over the years, regularly

availing themselves of chances to explore, discuss, and share best practices in reducing risk, handling claims, and defending lawsuits.

The most recent PDI Convocation also served as an opportunity to reflect on lessons to be learned from the business world, where one blue chip company in particular has been in an unwanted spotlight over the past decade.

That company is Boeing, the world’s largest aerospace company and one of the leading manufacturers of commercial airliners, including the 737 Max, an aircraft involved in a pair of crashes in 2018 and 2019 that killed 346 people.

The twin tragedies, which Boeing officials initially and wrongly blamed on pilot errors, brought to light a disturbing shift in corporate culture at the once-revered company that for decades prioritized quality and design.

In its glory years, Boeing was known as an “engineers’ company” that built its sterling reputation on an unwavering commitment to quality and safety. In fact, the company even built a marketing campaign around its commitment, emblazoning the message of passenger loyalty “If It’s Not Boeing, I’m Not Going” on coffee cups, T-shirts, and ballcaps.

The message, slowly but surely, began to change in 1997 when Boeing merged with rival McDonnell Douglas, a company that was still trying to dig out of a hole



from a 1979 DC-10 crash that killed 273 people shortly after the flight takeoff in Chicago. The \$14 billion merger, driven by Boeing’s desire for industry dominance, was not a match made in heaven, as curiously the CEO of McDonnell Douglas took over the reins of the “new” company, placing an overriding emphasis on cost-cutting and shareholder value.

The sudden shift would have devastating consequences and came at the expense of Boeing’s bedrock principles, moving from a culture of engineering and manufacturing excellence to a pattern of outsourcing and profit-driven compromises.

Boeing, not surprisingly, has been in steady decline ever since, highlighted most recently by a January 5 incident when a door panel blew off midair during an Alaska Airlines flight from Portland, Ore. to Ontario, Calif. Miraculously, no one was killed or seriously injured in the frightening mishap at 16,000 feet, which investigators believe can be traced to an improperly installed door plug during the

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manufacturing process.

Boeing's saga of manufacturing missteps and corporate mismanagement will serve as a cautionary tale about one of the biggest merger busts in history. It will rank as yet another example of bigger not necessarily becoming better, as a new crop of Boeing leaders search for ways to regain the trust of airline passengers and to restore the company's reputation as an aviation pioneer.

A similar story, though nowhere near as tragic in terms of loss of life, can be seen in the downfall of Kodak, the onetime darling of the photography world.

Founded in Rochester, N.Y. by inventor George Eastman, Kodak dominated the photographic film market for much of the 20th century until Japanese rival Fuji started making inroads by offering higher quality and lower-priced film products.

The company's fortunes took a further hit in the late 1990s and early 2000s when digital technology revolutionized

the photographic industry, eventually putting rolls of film into the dustbin of consumer history. Somewhat suddenly, and irretrievably, Kodak had lost its cash cow, as the company eventually filed for bankruptcy in 2012.

The two companies – Boeing and Kodak – were both beset by an unwillingness to embrace change and to heed customer wishes and demands. Instead, their reluctance to adapt to changing market conditions and to invest in technological innovations cost them dearly, one to the point of extinction and the other assigned to an almost certain similar fate if current patterns persist.

So, what does all this have to do with Primerus? The answer revolves around a time-honored saying that we have embraced since our founding in 1992:

“It's never the right time to do the wrong thing and never the wrong time to do the right thing.”

The saying underscores our commitment to “do the right thing” for

our members and our clients, helping them both stay abreast of ways to keep a step ahead of changes in the legal marketplace. It also aligns with our core principles as framed within the Six Pillars, the concepts that include integrity, quality, value, education, civility, and community service.

They are the linchpins of Primerus, offering a holistic approach to bettering the individual and the legal profession as a whole during a time wrapped in uncertainty.

Lawyers – like the clients and businesses they so faithfully represent – must embody the term “integrity” in every action seen and unseen, delivering quality and value with an intent that goes far beyond the bottom line. Only then can we fulfill a commitment to a higher purpose rooted in the desire to place service above self.

Best regards,

Jack Buchanan, President