

Briefing

INCREASING EFFICIENCY

ISSUE 01 | JUNE 2010



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Feature:

Practice, made perfect

How law firms can drive efficiency by combining technology and outsourcing

Interview with:

Prof Richard Susskind

What law firms must do now to address the challenges of legal services reform

Plus:

Analysis on better client development, and case studies on how integrated IT drives efficiency

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In search of a more efficient firm



Welcome to Briefing

Whatever you do in your law firm, this e-zine is for you. Every month **Briefing** will unpack a key topic as it affects business services and support people at law firms, with an interview, a feature and useful, relevant case studies and analysis.

Briefing is dynamic, so you can click straight to

content inside, and open web resources directly off the page. And **Briefing** won't stand still – every time we can improve it, we will.

LSN has never done things the old-fashioned way – which is why **Briefing** has been designed with the future in mind, not the past

Our launch issue, brought to you with Hubbard One, looks at driving up efficiency.

You might start with our interview with Professor Susskind first – it's a frank assessment of the state of play, and it has something for everyone, be they in finance, IT, HR, KM or marketing.

We hope you enjoy **Briefing**. Why not write and tell me – just click on the W.

Rupert White, head of content and community



“ To succeed in senior management positions, you need to show that your face fits and that you are as bright as the lawyers themselves. If you can do both these things you are well on the way. But it's a tall order. ”

Professor Richard Susskind

Prof Richard Susskind

Briefing's first interview is a big one: we speak to one of legal business's leading lights about all aspects of the back office



Enabling relationships

Chris Turk from Hubbard One analyses what solutions exist to help law firms run better client development programmes



Practice, made perfect

Rupert White outlines how firms can make easy wins through applying outsourcing and technology to their strategy



Case study

Tim Bennett at Hay & Kilner talks about how his firm has used integrated IT to drive efficiency and profitability



Case study

James Barron at Goldsmith Williams tells how his firm has turned performance measurement into an art



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INTERVIEW PROFESSOR RICHARD SUSSKIND

What the future holds

Rupert White talks to the UK's most prominent legal process futurologist, technology guru and law firm go-to man

If anyone is going to know what law firms are doing well and what they need to improve on, it's the man who's been showing them the contents of his crystal ball for over 20 years – Prof Richard Susskind.

Fortunately, he thinks law firms are starting from a good base, managerially, but there's a lot that can still be done.

"There are some exceptionally gifted managers running firms and some are succeeding in spite of, rather than because of, the way they're managed," he says.

"Over the last two decades many lawyers and partners have viewed management as a necessary evil rather than a vital element. That worked fine, but over the last couple of years in the recession we've seen that clients are now wanting more for less, they're wanting more legal service at less cost, and this is requiring lawyers to rethink how they run their practices. We're finding a genuine interest in management and we are seeing a genuine recognition by many lawyers that the future isn't necessarily going to look like the past."

This doesn't mean buying new kit, though of course that might be part of the solution. What's important, he says, is how law firms hire and retain professional managers – and whether they've been given

sufficient space to show how they can apply their specific expertise and talents in the running of the firm. This "varies enormously" he says, and it has more to do with personality than almost anything else.

Very senior support people have come in from other professional firms and impressed, he says, but "often there's a clash of cultures and someone who comes in, for example, from fast moving consumer goods to advise on marketing,

going to get fresh insight, you're going to get a different perspective, and much of what's going to be said will be alien. Some firms will harness that new energy and new perspective and take full advantage, others will find it disruptive and not accept it.

"For non-lawyers to succeed in senior management positions, they need to show that their face fits and that they are as bright as the lawyers themselves. If you can

structured and organised to make the most of external investment, to respond to what will be a far more competitive marketplace. [But] I'm not sure the answer is necessarily to bring in external chief executives.

"Some firms have non-executive members of their board, and that's worked. Some even go as far as to have clients sitting on their boards. The idea of having these new personalities bringing new thinking from other sectors, bringing the perspective of the client, challenging and probing in a way that perhaps firms haven't been challenged and probed in the past, can bring major change.

"But I think there are two broad challenges. Firms need to think strategically where they want to be – the big issues of corporate strategy, 'where do we want to be and why, what markets are we going to be competing in'. And you've got to think of the wide range of management issues outside of that – 'how do we attract and retain the best talent, how do we invest in appropriate technologies, how do we win more business on the strength of our brand?'"

"All these are challenges that any business faces. So firms could benefit hugely from insight from non-executives

"If firms are going to meet the 'more for less' challenge, they need to find all sorts of ways of reducing the costs of delivering legal services."

Professor Richard Susskind

they just don't resonate".

Is that because incomers don't get legal, or because legal doesn't get them?

"I think there's a bit of both. If you bring in someone from fast-moving consumer goods, you shouldn't expect to get marketing guidance similar to the normal marketing professional in a law firm. You're

do both these things you are well on the way. But it's a tall order."

When it comes to corporate structures, Susskind says changing the way firms are run is inevitable in the run-up to legal services reform in 2011.

"Over the next few years we will see a change in emphasis in the way that firms are



cont. from p4

with experience from beyond. That's a way of introducing new ideas, new thinking, injecting a fresh perspective."

What firms can do to produce a better bottom line, though, must cover both the front and back office. An oft-overlooked efficiency gain at law firms, he says, is in facilities – law firms habitually overspend on buildings. "Firms spend a significant percentage of their turnover in simply maintaining property, when having a costly building in a city centre is no longer necessary for most of the staff," he says.

Instead of making these easy wins, the way law firms usually think about efficiency, especially in hard times, is about spending less on marketing, for example. But, he says, clients are far more unhappy about paying big fees for small fry lawyers. "Clients don't mind paying high rates [for senior lawyers], but a huge amount of the work is routine and repetitive, and they do not need junior

lawyers to undertake that at high hourly rates."

This, he says, is where the law firm's HR function must play a vital part, because it's deeply connected to the fee-earning side of the business.

Talent management 2.0

"The great potential for efficiency is not simply in running a tight ship, [such as] making sure one's overheads are managed carefully or enquiring into whether or not some of the back office services can be sourced in different ways. That's terribly important, but to miss out on the fundamental problem, that the cost of lawyers themselves is very high, is to miss out on a real opportunity for efficiency."

This cannot be solved just by moving to alternative fee structures, he says. It's about fundamentally changing who works in the firm, doing what.

"I'm hearing from clients who need to cut their external bills by 30% or 40%. You

don't get that by introducing fixed fees, you get that by working differently, and that presents huge challenges for HR – because a huge amount of routine work that goes on in firms could be done differently.

"That might be by greater use of paralegals, which has implications for the formally qualified legal staff. It might be that you sub-contract that out to other law firms; it might be you use contract lawyers; it might be to outsource or offshore the work. Any of these models affects the old pyramid model [the ratio of senior to junior lawyers – leverage] to which every professional firm aspires. That broad-based pyramid is narrowing, and it's narrowing rapidly as you introduce other ways of working."

The challenge for the firm, therefore, is that when it looks two or three years ahead, will it have too many lawyers in the firm, and might it be recruiting too many lawyers? And the firm needs to consider those issues alongside rethinking

resourcing. Susskind covers all kinds of outsourcing with the phrase 'multi-sourcing', and says that it presents "probably the most formidable HR challenge the law firms have ever faced".

The marketing and PR aspects of the impact of large-scale back office outsourcing are being dragged through the press right now, following CMS Cameron McKenna's deal with Integreon to outsource the law firm's back office. But, Susskind says, such changes must form part of the future law firm's arsenal in reducing costs and becoming more efficiently run.

"Of course the people involved will be unsettled, perhaps even upset. But it's no different in many ways from what we saw across industry and commerce in the mid-90s, when people decided to outsource their technology to suppliers like Andersen Consulting. They said 'technology's not our core business, so we are happy to

INTERVIEW PROFESSOR RICHARD SUSSKIND

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transfer our technology and our people out to an expert third-party supplier who can provide the services back to us at a higher quality and a lower cost'. The business model's very clear.

"We can actually do [what Camerons has done] in quite a lot of areas of legal practice. I think we're going to see great success amongst these highly professional organisations [like Integreon] who've got skill and experience, and are able to invest in and manage these business services at a higher standard than is often possible within the firms themselves.

"[The law firms are] going to enjoy economies of scale, they're going to be able to embrace best practice and the result will be a higher-quality service at a lower price. If firms are going to meet the 'more for less' challenge, they need to find all sorts of ways of reducing the costs of delivering legal services.

"For me, a fundamental component of that is different ways of lawyering, but there can be no doubt that a lot of the back office is very costly."

Managing knowledge

As information businesses, law firms could benefit hugely from better information sharing and process and workflow automation, Susskind says – but they implement this far less than they should.

"[In terms of] legal knowledge management, where you have to capture and nurture and reuse the collec-

tive experience of a law firm, most law firms do that rather badly, despite valiant efforts of people in the KM world. It's proven to be really, really hard.

"Interestingly, clients expect to benefit from the firm's combined experience rather than from the individual insight of one or two lawyers, so it's certainly a project worth following through. But it's hard.

"Sharing business experience is another thing – many firms have substantial clients being advised by various parts of the firm, and the left hand doesn't know what the right hand is doing." Susskind also advocates what he calls "know-who" – knowing who knows most about any particular subject, "whether that be a legal subject or a client or a secretary or whatever".

But the answer isn't technical, he says, it's about culture – most lawyers are individualists "who don't think a good use of their non-chargeable time is contributing to the central knowledge resources of the firm". Professional firms like Deloitte or Accenture, he says, are taking knowledge management seriously, "and it fundamentally changes their work and the way they work, and it allows them to bring the best of the firm to the clients".

So law firms should look beyond their accountancy colleagues to see their future, and take lessons from management consultants. Luckily they can also look at leaders within the legal sector; there are instances of great practice, he says, "it's just spread across the profession".

Part of the problem may

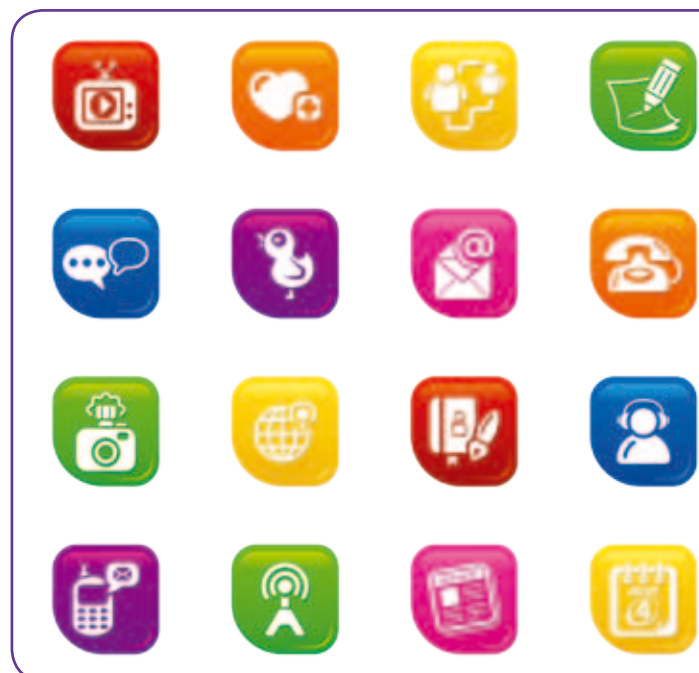
be that partners feel they can devolve everything to management and not be part of the solution, "whereas in the firms where they've made a success of [KM], every professional advisor sees it as part of their duties not simply to advise clients, but also to contribute to the firm's ability to advise clients". Knowledge management is for everyone, he says, not just for the knowledge specialists.

"It should be obvious, but knowledge is at the heart of any professional firm's

law firms are not magicians. They're doing their best, their challenge is to persuade everyone to be involved."

Innovation needs strategy

For heads of IT in law firms, there is also much that could be done to make their firms innovative and efficient. Some of the most basic technologies, Susskind says, have not been widely adopted and some really interesting, potentially very useful emerging so-



abilities. It just dumbfounds me that people at the coalface somehow think that knowledge management's not for them, it's for other people. How on earth can you be an outstanding professional in a major team without being willing to capture, share and reuse your own experience?

"Knowledge managers in

lutions have barely registered.

"The one technology that it surprises me that it's been so under-deployed is automatic document assembly," Susskind says. "There are exceptions – in some big firms it's used extensively. But lawyers are in the business of generating documents, and

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for over 30 years we have had technologies that will help support this process, make it more reliable and quicker – and somehow we just haven't embraced that."

The reason, he says, is "the old hourly billing phenomenon" – historically it's not been obvious why one would want to develop systems to reduce the time it takes to produce a document from 10 days to 10 minutes if you're charging by the hour, he says.

seeing 10 years ahead of how most of the legal profession is doing the more routine work."

He also identifies project management systems as very useful for deals and disputes – "you can't model them as tightly as for workflow systems, but it doesn't mean it should be chaotic".

But, he says, it's the *wunderkinder* of the 21st century internet that will change how law firms do business, and it will take foresighted IT heads to implement them:

"I don't think we've given nearly enough thought to how we can bring social media to clients, brief them as a network, then prove we will communicate and collaborate with them. That's at the heart of social networking."

Professor Richard Susskind

Another underused advance Susskind points out is workflow technology. "We've seen it in the insurance sector, we've seen it in audits and in a number of other sectors. I do find it infinitely depressing that I can take you to Deloitte to look at the way they've computerised their tax compliance process, and you really are

video and social networking.

Desktop-to-desktop video conferencing is a technology that's "entirely underestimated for the future", he says. "Within a few years, from desktop to desktop you will have the equivalent of Skype, only far, far better and higher in quality. I don't think lawyers are thinking deeply enough

about how that would affect their relationship with clients."

A social legal future

As to social networking, he says he always knew online communities would be important, but could never have foreseen what's happened.

"We know there are over half a billion people using social networking software like Facebook, and there are over 100 million people using Twitter. Yet most partners in law firms will look upon these technologies as the playthings of their children rather than serious business tools.

"I don't think we've given nearly enough thought to how we can actually bring [social media] to our clients and brief them as a network, then prove that we will communicate with them, collaborate with them and make the information available to them. That's at the heart of social networking."

One reason law firms aren't grasping these technological opportunities, he says, is that "the legal technology community is not ambitious enough". He says he asks managing partners a simple question to demonstrate how their firm looks at technology: What's the mechanism by which your firm monitors and evaluates emerging technologies for lawyers? And, he says, "hardly any law firms have methods".

"When something like the iPad comes out, I evaluate it and write about it, and I know that technologists will evaluate it, and I also know that some more geeky partners

will look at it – but that's not mainstream thinking.

"Who within the firm thinks 'Is this a game-changer?' Who thinks strategically and systematically about it? Who looks at video conferencing and thinks 'Why will this matter in five years' time?' And the answer is: almost no one, in a systematic way."

In the end, whatever law firms do to work smarter has to be judged against a client service benchmark, he says. Different structures, sourcing models and technologies must all be focused on client service – IT most of all.

"I always draw the analogy with British Airways – how good and easy it is to book tickets on the internet, how impressive their kiosks are when you arrive – but if you look at the systems check-in staff use, they're not even Windows-based. BA could have invested in a Windows interface to make it perhaps a little bit quicker, but most of its investment goes in improving the customer experience." Firms should analyse what percentage of IT spend goes on improving client experience, he says – because it's often just 5% or 10%.

And this applies to every department, he sums up. "The outstanding law firms of the future are those in which not only the practice areas but also the support systems and services are all directed at improving client service." ●

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ANALYSIS CLIENT DEVELOPMENT

Enabling relationships



The global financial crisis has forced firms to focus on the efficiency of their client development processes. 'Make once, use many times' is the mantra for many firms and, as Chris Turk of Hubbard One explains, technology is helping make this a reality.

One of the first victims of a buoyant economy is efficiency. Before the financial crisis, there was no need for firms to focus on the mechanisms of their client development efforts, because work was relatively easy to secure. If there was a need to increase market share, advertising and event budgets were healthy enough to make a splash with no need to question the effectiveness of the spend.

But times change, and one of the main repercussions of the global financial crisis is the new focus on efficiency. Despite this, the state of the economy makes demands on firms to put more effort into identifying their real 'buying' audience. With work now more difficult to secure, more attention has to be paid to client development, and the challenge for firms of all sizes is to do more with less.

The focus is now on improving a firm's ability to make the most of its assets – be they experience, intelligence or relationships – and leveraging these assets to improve the efforts associated with their client development programmes.

Technology is helping firms meet these goals, and is significantly altering how client development strategies are both developed and executed – creating unity across both internal and external information sources is essential.

Added to this is a need to simplify and align the organisational processes for lawyers and support staff carrying out their day-to-day duties, particularly at global, multi-office firms.

Knowing a firm's audience is another vital element in the business development mechanism. Winning new business in such a tight market requires

the ability to identify opportunities, understand the client need, leverage relationship assets and determine the most compelling expertise to close the deal.

In many cases, the information required to achieve each of these steps is scattered across the firm in disparate systems, or held only by individual lawyers. So, by capturing this information firms are better able to capitalise on intelligence and improve the effectiveness and efficiency of their client development efforts.

Platform to unify and share information

Increasingly, firms are turning to technology to grow their business and are leveraging Microsoft SharePoint-based solutions, enterprise relationship management and market analytics.

SharePoint is becoming

the platform of choice for firms looking for ways to be more efficient and effective in leveraging their current information technology investments. SharePoint provides firm-wide access to a range of practice tools and a means of increasing collaboration amongst practice groups and offices.

SharePoint solutions, such as XMLAW's OneView, provide firms with a single platform to organise knowledge, facilitate internal and external collaboration, provide for networking through the use of blogs and wikis, and deliver effective enterprise search and retrieval.

XMLAW recently deployed its OneView solution to create an intranet for global law firm Reed Smith LLP. The portal provides a platform for global communications, ensuring information that its lawyers need to do their jobs flows effectively between its US and offshore offices.

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It presents heavily targeted content to users based on their role, practice and office, along with several custom features, including complex blog capabilities and RSS integration with feeds such as Ozmosys and Westlaw.

One of the most successful features of the portal is blogging. Almost 40% of the firm's lawyers are based outside the United States, with the single largest number in London, so blogging is crucial as a key communication channel – and it helps the firm increase cohesion amongst its global offices.

SharePoint can also be used to develop other custom applications, including client team centres, workflow enhancements and client service centres. It provides flexibility for all these services to inter-connect and, when linked to a content management system, it can deliver all the information legal professionals need in a single role-based interface that allows firms to efficiently share content for any end use.

Relationship management for the enterprise

When it comes to valuing intellectual assets, firms place the importance of their relationships a close second to the knowledge and experience of their lawyers. In a tightening economy, putting those relationships to work can transform the way they build new business opportunities.

While firms have traditionally

relied upon the use of customer relationship management (CRM) systems to keep track of their relationships, an emerging technology that helps maximise a firm's insight into its relationships – and can work with a firm's existing CRM system – is enterprise relationship management (ERM).

As Tom Baldwin, Chief Knowledge Officer for Reed Smith points out, law firms are beginning to realise the benefits of 'who knows who', unearthing previously hidden relationships between their lawyers and key targets and leveraging those relationships to win new business.

ERM systems such as ContactNet help firms automatically collect and organise their contacts and relationships, without the need for lawyers to actively contribute to the process – thus removing the necessity for time-intensive, costly and error-prone data entry. These systems analyse firms' internal data, such as email traffic patterns, HR records, IP telephony and time and billing systems to understand and map all relevant relationships.

Lewis Silkin, a London-based commercial law firm, implemented ContactNet several years ago and is using it successfully in its BD processes. The product provides the firm with a more comprehensive picture of its relationships – critical when putting in place effective client relationship management strategies – helping the firm to capitalise on its rich database of business contacts and giving it a competitive edge in a



contracting economy.

The next generation of ERM solutions, or ERM 2.0, will move beyond 'who knows who' to allow firms to use that information as relationship intelligence to gain a competitive advantage.

Knowing the business environment

One of the simplest and most cost-effective ways of gaining new business is to convert the opportunities that arise. While these opportunities arise on a daily basis – thanks to merger and acquisition activity and new government legislation – the difficulty is identifying them and knowing which ones to act on.

Again, technology has helped in this regard. There are many competitive intelligence tools now available that systematically collect, analyse and distribute public information that carries strategic importance for a law firm.

By implementing these kinds of solutions, such as Monitor

Suite or OneSource, firms can monitor and disseminate relevant information about their clients or potential clients, and also understand the industry forces at play. Marrying information gained from the competitive intelligence system with relationship insights from an ERM system, for example, enables a firm to secure new business engagements more rapidly.

It is at the intersection of these technologies where firms will derive the most cost savings and efficiencies. Using competitive intelligence to seek out new opportunities, leveraging relationships to initiate a conversation, and then finding the most appropriate internal information to qualify the firm's expertise is a streamlined and comprehensive way of developing new business.

The integration of these tools is helping firms reinvigorate their approach to client development, and will provide a guiding path long after the effects of the current downturn has passed. ●

FEATURE IN SEARCH OF EFFICIENCY

Practice, made perfect

Using a combination of technology and outsourcing, law firms can make fast and easy efficiency wins, says Rupert White



Law firms have come a long way from a not-so-distant past of typing pools, costly telephone calls and legal documents carefully chewed over by ancient partners.

Some of the partners are still ancient, and hourly rates might be eye-wateringly high in some firms, but times are changing rapidly as firms discover the full power of information technology and outsourcing.

Peer behind the curtains at some forward-looking firms and you would be surprised at the level of technology being

deployed: lawyers dictating letters into their BlackBerrys, Google-style databases for precedents; lawyer biographies and corporate intelligence that can be mined in an instant; financial reporting systems similar to those used in large retail businesses to track costs and create better ways to bill; web-facing portals for clients to check on the progress of work; and clever systems for knowing much more about clients.

At some firms you may not even find people behind the curtain at all – virtual firms are

springing up all over – some as a result of the harsh cuts made in the recession – at which self-employed legal consultants use IT systems in the ‘cloud’. In other firms, the people you speak to may not really be in the firm – instead, non-legal staff have been outsourced, their success tracked over the web.

London firm Fisher Meredith, for example, outsources its reception. Sally Boyce, senior manager in charge of HR and business development there, says handing off reception and fax receiving to outsourcing

business Moneypenny has revealed how much work her firm was missing out on.

“When we introduced Moneypenny we had one receptionist, and the phones kept ringing out if she was busy.” Outsourcing reception has helped reduce Fisher Meredith’s cost base, she says, but now the firm’s catching those previously lost calls – from 60 enquiries a day to 150 – it’s had to increase staff on the new enquiry desk.

“We had no idea how much business we were

cont. from p10

losing before. It's not rocket science – it helps us increase our business. The quality of service people were receiving before was sometimes diabolical – and when people want a solicitor, they want to speak to them straight away.”

Outsourcing your reception is one thing; how about outsourcing your case management? That is what the new breed of virtual law firms do – lawyers in a firm without offices, connected by an integrated range of internet-based technologies.

Polly Jeanneret is a consultant at Halebury, a virtual firm. She spends a flexible portion of her week working as a lawyer, but does not have to run any IT systems or even care how they work – they just do, on the internet, using a service called IRIS Law Enterprise, a hosted case management solution, leaving her free to practise law.

“I can do it from anywhere,” she says, “so if I'm taking leave and an urgent matter comes up, I can just go to an internet cafe. It fits around my lifestyle perfectly, and I can do a lot of work on my BlackBerry and upload the work at the end of the day.”

Dictating new terms

Law firms do a lot of outsourcing without realising it, with many firms now outsourcing their transcription for example. But the process of taking dictation is now being heavily digitised and automated.

City firm Nabarro has gone far beyond tapes and wired-up dictation machines,

instead turning to the ubiquitous lawyer's friend, the BlackBerry, for dictation. Using a solution from BigHand, Andrew Powell, director of IT at the firm, has reduced the number of kinds of device in play at the firm and increased efficiency.

“The ability to turn things round faster is a significant improvement, both for dictations and the issuing of instructions. Previously, a lawyer would dictate remotely then return to base to download it all. Now, each dictation arrives on completion. Turnaround is faster and there are no spikes of activity

– a secretary could suddenly get six hours of dictation on Monday morning, historically.”

Nabarro lawyers can now pick the best times for them for their dictation, making the whole firm better off. Powell has also discovered that some lawyers have started to use the service in interesting, new ways – dictating instructions, rather than documents, to staff when they're out.

But advances like digital dictation usually need an IT structure to work with, and that needs integration. Integration of IT systems is a great way of achieving not

only maximum efficiency but also finding new advantages. Firms need these now more than ever, with clients demanding what they have always had from other suppliers: ‘cost certainty’. In other words, an accurate idea of what the work they're calling in from external firms will cost them, up front.

Boxing clever with BI

The best way firms can produce cost certainty is to get an accurate idea of what it costs to do the work – and only integrated technologies

all, the clients paid what they were billed; end of story.

But as Mike Giles, finance director at City law firm SJ Berwin, explains, it is now a key tool in a business-minded law firm's box. SJ Berwin uses LexisNexis's Redwood BI solution to pull out previously unusable data about how the firm is working and costing to run.

“Whereas a lot of accounting data is historic in nature, this allows us to look forward. We need to be much more able to deliver certainty of cost. That is something which is a complete change in mindset and not necessarily

“We had no idea how much business we were losing before. It's not rocket science – it helps us increase our business.”

Sally Boyce, senior manager in charge of HR and business development at Fisher Meredith

can provide this. They also have a direct by-product of making the firm far more efficient: once it becomes obvious where the high costs are, decisions can be made on what to cut, to outsource or to change.

A good example of this kind of technology is business intelligence (BI). A few years ago, a law firm using business intelligence software would likely have been seen as embarking on a Quixotic mission, trying to slice and dice data that didn't exist in a business sector that wasn't interested in efficiency – after

the easiest thing for lawyers, who've been charging by the hour their whole career,” says Giles.

Scottish firm Brodies also uses Redwood to achieve the same goals. David Edwards, finance director there, says it means the firm knows what work costs to do. “When we're pricing jobs, we have a databank where we can look at similar jobs, the bill and how the jobs were staffed, so we can be much more on the front foot now when we're pitching for work.”

BI can also expose “busy

Practice, made perfect

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fools”, he says, and identify the more profitable individuals and teams in the firm. “The monthly management accounts tell you how profitable departments are, but this helps you identify even down to how much each person has contributed to jobs. You could be throwing thousands of pounds a year and you just don’t know it.”

Turning the tide on email

It sometimes feels like email has turned all of us into busy fools. Email is demonstrably not the best method for performing many tasks it’s currently used for – Facebook wouldn’t exist if people could easily sort out their weekend plans on email.

But in law firms, email has become a behemoth – used for everything from seeking out the best team for a job in a company to company updates, even to dispensing health and safety information. There are, however, cleverer tools to find information and people in your law firm: knowledge management.

City firm Field Fisher Waterhouse is using a web-style search system, Recommend MindServer, to provide more efficient access to the firm’s internal legal knowledge and external sources. This lets staff search across lawyer biogs – does anyone speak Gujarati? – as well as mining legal precedents and current affairs when gathering data about a client or a case.

As FFW’s learning and knowledge management

director Jane Bradbury explains, “we’re in business to sell our knowledge, and a client’s not just consulting one lawyer – they’re consulting the whole firm”.

“We’re able to connect them to everything that everyone knows. Technology helps us break down silos and encourages transparency. A corporate team isn’t just three of four people, there are far more and even foreign offices involved.”

Bradbury figured out that if she could save each lawyer enough search time, that saving would pay for the system. Compared to using email to find all this information, this is revolution.

Lucy Dillon, director of knowledge management at City real estate specialists Berwin Leighton Paisner, and her department are another example of what firms can create out of their knowledge management capabilities – moving away from email to using tools more like media units.

“My team increasingly act as gatekeeper to information, picking up current awareness, bulletins and so on from outside and extracting what’s going to be relevant to the team. The traditional way to do this was to pump out emails, but now we’re increasingly using the intranet for that and putting links to the [client] extranets. The links will be much more timely and we’ll alert people to page updates – it’s much more dynamic. You can also get it on your BlackBerry.”

But firms can go further still, by connecting their systems to

clients directly. Many firms are doing this – most of the firms mentioned so far are already there. At Nabarro, Andrew Powell is taking unnecessary work from lawyers and giving clients answers they want in the same system: using an extranet, or web-based client reporting.

“Our clients are able to see both the stage of any particular matter and also exception reporting against key performance indicators. So instead of phoning for

form of customer relationship management (CRM), they could. CRM systems collect and inter-relate data about your clients in ways specifically designed to help you maximise revenue.

The value of CRM is easy to explain, says Tony Guise of boutique compliance firm GUISE. “It costs much more to win one new client than develop the full potential of a single client.”

CRM is an essential complement to his firm’s marketing



an update, the client can go into their transactions and see for themselves. It allows the lawyer to focus on progressing matters for the client, and allows the client to check on progress whenever they like without concerning themselves about running up costs.”

Being customer-focused

The last piece in the efficiency puzzle is a bit of basic business: have you made the most you can out of the clients you already have? Most firms haven’t – but if they had a

activities, he says: “What’s the point of attracting clients if one does not understand what additional needs they have or that they have don’t realise they have?”

Using technologies such as CRM, says Guise, “leads to greater business opportunities achieved at far less cost” – which sounds like a recipe for success for any kind of firm.

As Professor Susskind says in our interview with him on page 4, the outstanding law firms of the future are those where practice and support “are all directed at improving client service”. And the tools to do that are all there. ●

CASE STUDY HAY & KILNER

Turning efficiency into profitability**Giving clients access to live matter information cuts hassle and fee-earner time at this top 250 firm**

Top 250 firm Hay & Kilner has grown in size and profitability through the use of integrated IT, and now the firm gives clients access to live information, it has to be even more efficient and focused on service.

Hay & Kilner can only do this because its Linetime IT solutions work as single integrated structure, a set-up that allows for many key efficiency benefits at the firm. Linetime supplies the bulk of Hay & Kilner's legal practice systems, using a single database to hold case and practice data, which connects to online case tracking, debt recovery software and an electronic interface to Possessions Claims Online.

Integrating these areas drives efficiency in a range of ways, from ensuring compliance to planning strategy, by providing the data to analyse fee-earner and department performance.

As Tim Bennett, Hay & Kilner's partnership secretary (pictured) explains, operating in this way creates efficiency and allows the firm to grow the amount of work it can deliver. Put simply, he says, using integrated software "enables

users and fee-earners to have all information they need at their fingertips".

Because the firm is holding all the data it needs in one place, it can easily access the right management information.

"We can make better business decisions based on the information, which gives us an edge over our competitors," Bennett says. Hay & Kilner applies this by using reporting to analyse department profitability and

primarily by giving certain clients access to live case information. Hay & Kilner uses Linetime's B2C Online Case Tracking solution to provide external access to information and the ability to submit and receive instructions.

"This gives us a competitive edge," Bennett says. "Clients can see progress on matters, print out reports for their own use, and they don't need to phone in for reports, so everybody benefits."

"Without this technology we wouldn't be the size we are, we wouldn't be as efficient as we are, and we'd be a lot less profitable."

Tim Bennett, partnership secretary, Hay & Kilner

highlighting weaknesses and strengths. This efficiency has had a very important practical result: helping Hay & Kilner ride the recession. In terms of cost collection, Bennett says, "we've used reporting to see where lock up is, and set targets to reduce the level of aged debt and increase cashflow."

Insightful law firms are now looking at ways they can add value to the client relationship,

The firm's web portal links into the CMS, and the firm can define what information users can see. Clients can access case progress, view notes and documents scanned in – they can even see scanned post from that morning.

Bennett estimates that Hay & Kilner has saved "tens of thousands of pounds" a year using Linetime's B2C Online Case Tracking module, which also creates "a more cost-

effective service to the client". Those efficiencies come in two forms: removing client enquiries that the online case tracking system can field, and greater fee-earner attention to detail, because clients can see into the system.

This is not pre-empting a need. Bennett says the firm has won clients – banks and large institutions – by being able to offer this service. In fact, he says, "we wouldn't be through the doors of certain clients without this technology, because they demand it".

By making Hay & Kilner more efficient and effective, Linetime's IT solutions have helped the firm to grow.

"We merged with a practice seven years ago because they didn't have the resource to service a growing area of work. We introduced the technology to them, and that part of the practice more than doubled within a six-to-seven year timeframe – without that technology, we couldn't continue to service those clients.

"Without this technology, we wouldn't be the practice we are today. We wouldn't be the size we are, we wouldn't be as efficient as we are, or offer as many services as we do, and we'd be a lot less profitable."

Want to know more about integrated IT from Linetime? Just click on the purple W



THE DIGITAL AGENCY FOR B2B

CASE STUDY GOLDSMITH WILLIAMS

Performance management

Being able to measure performance in real time and tie internal process to web services gives this Liverpool firm the edge



Liverpool's Goldsmith Williams is a regional heavyweight in personal injury, remortgaging, conveyancing and wills, and one of the firm's secret weapons in the highly competitive PI market is integrated IT.

The firm employs over 250 staff, is on the panel of every leading building society, bank and centralised lender, and acts for a wide network of mortgage advisers, packagers, networks and accident claims companies.

Since buying Eclipse's Proclaim solution for case and practice management in 2003, Goldsmith Williams has expanded its customer-facing systems onto the web and developed its in-house competence to aid firm management. This has made the firm more efficient and helped deliver value-adding services to clients.

Head of IT James Barron (pictured) says that using integrated IT to connect case and accounting databases to web services means referrers stay happy – and off the phone.

"It saves them having to ring us up to see how things are going," he says. "At its highest

level [for external users] it works on coloured key milestones – traffic lights – but if they want to look in-depth at the case, they can just click on the case and see exactly what we see here."

But providing this capability requires flexibility inside the system. Though Proclaim is an 'off-the-shelf' system, Barron says, the inclusive toolkits mean the firm can develop the software to a "practically unlimited degree".

complete instructions, and allow us to present the case and documents to the external intermediary base" he says.

Management information is "real-time to within 20 minutes", says Barron. Using real-time management information to constantly improve how the firm works is, essentially, business intelligence. Barron is investigating using cube-based BI in the near future. Right now, though, this lets the firm accurately assess

duplication of work. We're measuring this to see how much time it's taking, because time is money. We know we've got an overhead and we need to know what it is."

Barron says it's the "flexibility of the Eclipse system" that allows Goldsmith Williams to do this: "We put the right fields in and get people to fill those in, then we extract the data and format it into reports."

To be transparent to the customer Goldsmith Williams has to be efficiently run, because it has to know what's happening, as it happens, on every job. As Barron explains: "In our remortgage dept, we say once an offer's been received from the lender, we will turn around the remortgage in seven days, maximum. [The customer] can see what's happening, and we have metrics to measure if we've hit that target or not.

"What this boils down to," Barron says, "is keeping our clients happy. We have to provide them with a quality service and an efficient service. As customers, we want things as quickly we can, so we use the system to see how we can improve on service without sacrificing quality – and keep the customer happy and informed."

"We use the system to see how we can improve on service without sacrificing quality – and keep the customer happy and informed."

James Barron, head of IT, Goldsmith Williams

Goldsmith Williams makes heavy use of a SQL database processing Proclaim data to produce highly detailed reporting. It can reach down into the casework and out to the firm's web portal, pulling in claim data entered by clients. Barron is trialling Eclipse's SQL Data Warehouse that allows the firm "to report through our portal and source the number of instructions, for example, the time it takes to open and

likely transaction length and pass that information on to the customer – most useful in remortgaging.

Detailed performance measurement has been vitally important in assessing added costs since the Ministry of Justice changed the way RTA claims are processed.

"We're predominantly RTA and, because of the way the MOJ have implemented [the new process], we've got

Want to know more about integrated IT from Eclipse? Just click on the purple W



LSN London Networking Event

Monday 12 July 2010

291 guests from 174 firms attended the last LSN London networking event..... isn't it time you joined the conversation?

Who can you expect to meet there?

We welcome anyone from any size of firm in the **Finance/Accounts - IT - Human Resources/ Personnel - Systems - Administration - General Practice Management - Marketing & Knowledge Management** areas of law firms.

During the informal evening event, our focus will be on how everyone involved in the operational area of law firms is coping in the current climate, what we can all do set ourselves apart and how **legalsupportnetwork.co.uk** and its expanding online community can help you achieve your goals.

We are keen to ensure there is a strong representation from as many firms as possible so please **feel free to invite others in your firm** who can benefit from extending their network.

Venue: The Vintry, 119 Cannon St, London

Date: Monday, 12 July 2010

Time: 6pm - 9.30pm (but flexible if you can only pop in for half an hour)

Cost: Free (includes hospitality)

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