

Briefing

STRATEGIES FOR SUCCESS

JUNE 2012

*Interview***John Pickering**

Irwin Mitchell's group CEO on how his firms – and possibly yours – will change after the ABS revolution

*Feature***Ding, ding, round one**

But is the bout already won? We look at how the mid-tier can fight back as the ABS battle gets hot

*Industry analysis***Playing smart**

Industry advice on scenario planning, new business automation, firm-wide IT, workflows, mobility and more

PLUS: Briefing jobs – senior management positions inside

A black and white photograph of a hand moving a chess piece, overlaid on a yellow background with other chess pieces.

**This is
not
a game**

ELITE®

LexisNexis®

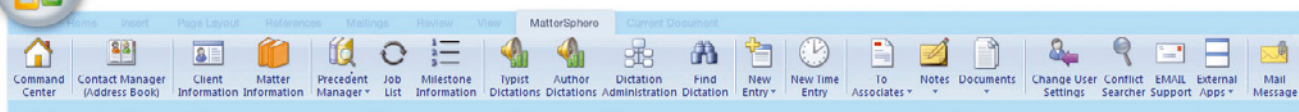


NATURALLY CONNECTED
TO THE WAY YOU WORK.



MatterSphere

The legal software that embeds all your client and matter information into Microsoft® Office.



Managing your matters is easier when you never have to leave what you're doing. MatterSphere® is embedded within your Microsoft Office environment, so you can view everything about a client or matter with one click. And, start moving to one solution that finally unifies the data and applications you work in every day. It's proven in leading firms across the world – and available to you now from Thomson Reuters, the leader in intelligent information solutions.

► Desktop ► Smart Mobile Visit mattersphere.com today.



THOMSON REUTERS™



Making the right moves...



What will most of today's top 100 law firms look like in a few years time?

Will they be larger? More focused? More efficient? Will they be run like consumer businesses, with armies of non-legal staff? Perhaps they'll be owned by holding companies, and partners will be shareholders. Whatever happens, it's already started.

In this issue, we speak to the people on the front line of the battle to survive and thrive after ABSs come to town. Our **interview** with **Irwin Mitchell's group CEO, John Pickering**, outlines not only many pointers for other firms to follow, but also a vision of what Irwin Mitchell might become.

In our **feature** we talk to law firm thought leaders from the mid-tier to the lower 100 and beyond – as well getting the fee-earning partner perspective.

We've also got great industry analysis from issue sponsors **Elite** and **LexisNexis**, and many others. I encourage you to get stuck in...

Rupert White, Briefing's editor

rupertw@legalsupportnetwork.co.uk

Interview: John Pickering, group CEO at Irwin Mitchell



Rupert White quizzes the leader of the firm everyone is watching about what will happen once Irwin Mitchell is an ABS, and what threats and opportunities await the legal sector

[jump to article](#)

[page 06](#)

Feature: Is round one already over?



We look into what the mid-tier must do to survive as the ABS gloves come off. Interviews with leaders at FFW, Bevan Brittan, Berwin Leighton Paisner, Kinstellar and Hogan Lovells

[jump to article](#)

[page 15](#)

Briefing jobs



Senior management roles in operations, compliance, HR and more on the new **Briefing jobs** page – pass it along (or perhaps not)

[jump to article](#)

[page 21](#)

This issue is sponsored by



NOW FIND OUT WHAT'S IN THIS MONTH'S INDUSTRY ANALYSIS

Power tools
for lawyers.

Industry analysis

In Briefing we bring you relevant industry analysis from some of the legal sector's leading voices.

This month: How firm-wide IT systems can help law firms deliver on strategic goals and give more value to clients, why firms can gain a competitive edge by automating new business intake, how the mid-tier can square up to the big players, and advice on managing the wild growth in mobile technology at work.

This month's interview with **John Pickering at Irwin Mitchell** was transcribed by:



We also benefited from additional transcription work from:



Interview: Lessons from the future



Briefing talks to Elisabet Hardy at **Elite** about the benefits of firm-wide IT as firms become more global and distributed

[jump to article](#) **page 24**

Reinventing the law firm



Tim Cheadle, general manager at **LexisNexis**, explains why technology is the secret to creating a competitive law firm

[jump to article](#) **page 26**

Interview: Planning for change



Jane Galvin of **Barclays** on how firms must adapt to succeed

[jump to article](#) **page 28**

New rules for new business



Bryan Roberts of **Frayman Group** on new business intake

[jump to article](#) **page 30**

Strategies for success



Jitendra Valera of **IRIS Legal** on strategy for mid-tier firms

[jump to article](#) **page 32**

Managing mobiles



Beating BYOD, by Adrian Klingenberg at **BlackBerry**

[jump to article](#) **page 34**

Integrate to compete



Mike Barry of **Aderant** on how IT helps deliver more value

[jump to article](#) **page 36**

A portrait of John Pickering, a middle-aged man with grey hair, wearing a dark suit, white shirt, and a red and blue striped tie. He is looking slightly to the right with a faint smile. The background is a blurred view of a city or town from a high vantage point.

Can this man see the future?

Everyone wants to know what Irwin Mitchell is thinking. Rupert White quizzes John Pickering, the firm's group CEO, about what will happen once the firm is an ABS, and what threats and opportunities await the legal sector

Famously gung-ho for the Legal Services Act and alternative business structures; litigation-focused mid-tier marvel, with a revenue growth over the last five years of over 40%; a sneak peek at a model of how legal services will be delivered in the next 10 years.

All these describe Irwin Mitchell, and one of the people central to making the firm a winner is group chief executive John Pickering.

Irwin Mitchell is one of those top 30 law firms (up to number 20 in the *Lawyer's* latest list) that has bucked most trends in the last couple of years. And, though revenue dipped a touch over the recession, the firm has made a storming return in 2011 – revenue is up by nearly 10% to £172m, taking it within spitting distance of the firms chasing the ‘chasing pack’. Irwin’s PEP is already there, above CMS Cameron McKenna, Simmons & Simmons, Taylor Wessing, Bird & Bird and others. And if you think that’s puff, consider this: another two years of that growth will take Irwin Mitchell to over £205m – and well inside the top 20 – and that’s without any mergers or buyouts.

He says Irwin Mitchell’s success is down to a couple of key reasons. “There are certain sectors of our business which are more resilient,” he says, and though he would say this, he admits, “I think we are pretty well managed.” The firm has been “very careful as to how we’ve run and financed the business, and made sure that we’re getting delivery”. Pickering says the firm has “strategic vision”, which has been vital in leading it through the

tough times. “We are constantly reassessing where we are heading and how it’s working out. That’s a constant process.”

Not every firm out there has a large litigation base to stand on – an area that traditionally does well in hard times – but the real secret to Irwin Mitchell may not have as much to do with that as it might seem.

The firm has become the kind of legal business that many firms may have to copy to compete with new entrants to the market and

Pickering says Irwin Mitchell has “strategic vision”, which has been vital in leading it through the tough times. “We are constantly reassessing where we are heading and how it’s working out.”

stockholder/private equity-backed businesses looking to steal market share. It’s no longer a law firm in the traditional sense – it’s now owned by a holding company, in which the firm’s partners own shares. It has actively sought to put business services leaders, such as group finance director Mark Dakin and costs manager Steven Green, into partnership, and Pickering says the firm will reformat even more towards this model once it becomes an ABS later this year.

The firm has also worked to enact many of the edicts of Professor Richard Susskind (and many other business advisers) – to

componentise, automate and create workflow around legal work; to make it more efficient, predictable and cheaper to do. It's also proving that you can do this with litigation, a work type some would say is the last bastion of unpredictable work; the bulwark of the pricey fee earner and the billable hour.

Increasing efficiency in litigation

Pickering and his colleagues haven't done this by accident. But how have they done it? His view is that it's vital to look at the market, realistically envisage your future place in it, and strike with determination.

"The nature of the supply of legal services is changing," he explains. "Partly as a consequence of the economic downturn, but partly as a result of increasing client expectation, there's been significant downward pressure on costs. Having gone down, prices are unlikely to come back up.

"The world is also changing in terms of the process of delivering legal service. This is what Professor Susskind speaks about, the ability to deconstruct law and ascribe process to it, to systematise it, so that the need for pure lawyer involvement – the brain surgery – is minimised."

Pickering denies that litigation, which accounts for over 80% of Irwin Mitchell's revenue, cannot be systematised in this way.

"Absolutely you can, and that's precisely what we have done. We do an awful lot of road traffic accident cases from the legal expense insurers, and we have to do that under very competitive pricing mechanisms. We've had to apply high levels of business analytics to make sure they are hugely efficient – we've minimised the number of touches on the files, we've looked at a very flat structure, using paralegals and a relatively modest number of

solicitors, and so on."

The firm has mapped this approach to group actions, some of which, says Pickering, "are very complicated pieces of litigation with highly technical elements to them" – destroying the myth that this kind of work simply can't be done in much more efficient ways. And the ideas also apply to the non-contentious work, he says, including farming out areas such as due diligence to outsourcers.

"There's a huge amount that can be done," he says, "but you've got to be prepared to take an objective perspective about what area of law you want to practise." Just because the work can be done more efficiently doesn't mean your firm should therefore do it, in other words.

A strategy truism is that 'strategy is what you say no to', and, in this respect, Pickering would seem to be behind that statement. "Lawyers are very good at saying 'We've done it this way for years, we like it this way, so why change it?' – and that's really the wrong way to come at it. I'm absolutely convinced that [picking your market properly and being efficient at delivering] is what firms are going to have to do if they want to be around and competing in a much more challenging environment."

New, cleverer competition

The problem, of course, is that it's not just cost pressures making law firms sweat; the consumer kings are coming to legal. Businesses such as the Co-op are now interested in grabbing a slice of the UK's multi-billion pound legal market, and they won't play by the old rules.

"Some of those organisations, particularly in the consumer or personal legal space, are very good indeed at customer service. They will challenge law firms very strongly, because, frankly, law firms are not so clever or good

in that space – not when compared with the major retailers, who bring an awful lot of science and understanding to the process.”

And, though some sceptics say you can’t apply the rules of retail to law, Pickering says the new entrants surely will.

“They will indulge in detailed analysis of the market, they will understand what their customers want with some precision, they will have researched it thoroughly, probably using independent researchers, and they will have very carefully designed their products. They’ll be constantly looking to modify their products, they’ll be understanding what the selling points are and what the best client catcher mechanisms are.

“For quite a lot of law firms, those [ideas] won’t have even crossed their minds.”

It’s not only the consumer space that will be seriously affected by the new entrants, he adds – the business legal market will also be affected.

“The world of legal services is going to become much more challenging and more exciting, but the firms that are going to succeed are really going to have to understand what that space is about, and how they want to compete in it. This means they’re going to have to have a very clear strategy for how they’re going to manage the different lines of legal service they want to deliver.”

Adding business expertise

How are firms like Irwin Mitchell planning for the unknown, in that case? Some of the

known unknowns, as Donald Rumsfeld might say, are listed above, but firms shouldn’t be reactive when making their strategy. The trick is to work out where the firm needs to be, and imagine the competition to be top-class.

“The first issue is to recognise what the issues are, because until you understand some of the dimensions you’re dealing with, you can’t find answers,” Pickering counsels. He encourages firm leaders to seek advice in the

“Firms that are going to succeed are really going to have to understand what legal services is about and how they want to compete. They’re going to have to have a very clear strategy for how to manage the different lines of legal service they want to deliver.”

same places as businesses in other sectors – management consultants and business analysts.

“If you want to understand certain aspects of client behaviour, you might want to commission your own research. If you want to understand how to be more efficient in the way you do your work, you might bring in business analysis experience. There are a lot of non-lawyer professionals who can add quite a bit to your forensic analysis of how you want to approach the area of business you seek to engage with.”

Or you could just employ these people and make them partners and non-executive

directors, like Irwin Mitchell has done. Making ‘non-lawyers’ partners in the business is “hugely important” to the firm, says Pickering. “We wanted them to have the ability to share in equity, which is why we became one of the first firms in the country to become a legal disciplinary practice. And it’s one of the reasons why also we want to be an ABS.”

The firm recently brought in two non-exec directors (designate, until the firm is an ABS) – chairman designate Glyn Barker, who’s ex-PwC, and Mel Egglenton, who’s ex-KPMG.

Non-execs bring “business experience to the boardroom”, says Pickering. But do they also perhaps mirror where law firms like IM are going – notionally partnerships, but run on purely corporate lines? “That’s my belief,” says Pickering, “I think that’s just the efficient way forward.” That’s why the holding company was created, he says – “with a weather eye on what we think is the right structure for us, to compete in the new world of ABSs – and that could have us becoming a PLC one day, for example”.

Creating economies of scale

This is a discussion at the very heart of some of the really challenging issues behind the new legal world: can traditional legal models be truly competitive?

They certainly don’t seem to be able to scale in the same way that non-legal businesses can. Here’s an example: Addleshaw Goddard is three times larger in headcount terms than LG, and the revenue difference is almost exactly three times. You do not have to be Donald Trump to see this as an indicator of a business model that cannot effectively scale. Pickering agrees with this assessment, which may be why he and his colleagues are reformatting Irwin Mitchell in terms of how the firm works, as

well as how it does legal work.

“Scale is a relevant point in the supply of legal services, and there is no doubt that you can get economies of scale [only with the right resourcing]. You’ve got to analyse your process, decide how you’re going to do the work, what skill sets you need to deliver it very efficiently. Generally speaking, if you’ve done that, you will be able to accommodate more work without necessarily proportionately increasing the number of people involved.”

For Irwin Mitchell to do this it needs is more business services people, and non-lawyer business leaders. There are very few firms in top 50 or 25 positions who would go forward with the consolidation that might happen which would not see a need to change their staffing ratios, says Pickering.

The ABS revolution allows law firms to make this radical and necessary change. It’s not for everyone, he says – but those that aren’t ABSs will be few in number, surely.

“The relevance of the ABS structure for us is that, for example it enables us to take external investment, and therefore to have a more imaginative and frankly more effective way of financing the business.

“That’s highly relevant because the old partnership models tended to run on a debt structure, partly capital and bank overdraft. But if you have a business which is very cash hungry, which litigation businesses tend to be [because of no-win no-fee arrangements, eg], and you want to grow the business significantly, with investment in systems, people, whatever, there are quite heavy demands on cash.

“Therefore, trying to get the rate of growth you want and shape the business in the time frame you want can be very challenging under the old model – whereas, if you have the ability to engage with other mechanisms of investment, you are more likely to be able to make progress and be more dynamic.”

The new structure brings “the ability to bring in non-lawyer skill sets to help move the business forward”, he says, but it also allows the firm to do business very differently, such as with “share transactions [eg] in terms of acquisitions” – it makes doing deals easier.

Pickering says Irwin Mitchell sees legal services becoming “a little bit more holistic”, with clients wanting a one-stop-shop service for regulated legal services but also related activities provided in the new Irwin Mitchell group – “whether these are called businesses or subsidiaries or joint ventures or whatever, they’re more easily facilitated in the ABS environment”.

ABS advantages

Where will the growth come from? The market as a whole will be consolidated as law firms buy other firms to gain growth and find what management people call ‘synergies’ – ie remove people in favour of efficient processes. And many top firms have turned their attentions almost entirely to foreign and emerging markets to find growth – in fact, he says, some top-end firms that are posting great growth are doing so predominantly because of growth overseas. But not every firm can do that, and not every firm should, if it’s thinking about which market niche it really fits.

Irwin Mitchell has its eyes on both more

national work and more corporate and international litigation done in London, Pickering says.

Once a legal business identifies what market space it wants to expand into or take over, says Pickering, it has to rapidly look at how it can scale in that niche, and that will probably mean a lot of buyouts, as that’s the fastest way to



“The relevance of the ABS structure for us is that, for example, it enables us to take external investment, and therefore to have a more imaginative and frankly more effective way of financing the business.”

grow a legal business right now.

“If we’ve decided on a particular discipline, we want to engage with it and make it a very significant piece of business,” he explains.

“There are several routes to doing that. It’s all to do with how you acquire the work, and therefore how you get the clients. Some of

that might come as a consequence of M&A activity, and I think what's likely to happen is the emergence of a number of firms that are significantly larger."

Fighting for market share

So, consolidation will happen, but for a variety of reasons. Some well-known firms, for example, are under financial stress. In the week before our interview, Herbert Smith

While many firms are finding their growth abroad, mainly in the far and middle east where GDP growth is near 10%, "the legal market in the UK is still huge, and it's potentially still growing overall".

announced it would cull 50-odd people in London, while Shoosmiths was to lose 90-odd staff – and this might well presage a lot of M&A activity in legal.

"When you're in that [stressed] position, you've got to ask how you are going to survive? You can't just keep cutting – you've also got to invest in the areas where you know you can get returns. That might mean that firms that are under a degree of pressure will need to come together with another firm to get them through." Of course, there are firms that are doing very well and have identified

work areas they want to dominate – but that's just another driver for M&A activity, says Pickering. This last point applies just as much to big, international firms as it does to mid-tier businesses, which may indicate a market-wide near-term consolidation.

It's not all doom for the UK legal market – Pickering sees great potential in it. While many firms are finding their growth abroad, mainly in the far and middle east where GDP growth is near 10%, "the legal market in the UK is still huge, and it's potentially still growing overall", he says.

For UK firms looking for growth "the question is how to access that volume of legal business, and that's where I think you've got to have very slick processes to be able to get and keep that work".

"That's where the efficiencies and different styles of approach all come into play – it's how you fight for market share in this sector."

It is, he says, all down to doing the work smarter, more efficiently. "You can apply high levels of processing to relatively routine litigation, and we have done that, in the PI space, in the debt recovery space, areas like that. The further you go up the ladder in terms of complexity, the more difficult that is, but that's not to say that there aren't elements of it that can't be done [in an automated way].

"But the mindset ought to be constantly to say: 'How can we do this better and more efficiently?'"

How you do it, of course, is up to you. ●



REUTERS/Ayman Saidi

FLOSUITE LEGAL

CASE MANAGEMENT AND BUSINESS PROCESS MANAGEMENT SIMPLIFIED

FloSuite Legal is a powerful and flexible toolkit with a user-friendly design environment. Supported by a team of experienced consultants, it gives you the flexibility to build any kind of workflow or approval process you require.

“ Our selection of FloSuite Legal took into account the technologies behind the toolkit, the flexibility it offered in design and development, the scope for rapid implementation of integrated business processes and our confidence that we could work well with the FloSuite Legal Team. ”

**Janet Day, IT Director, Berwin Leighton
Paisner (BLP)**



For more information

Call 0808 129 5721
Email flosuitelegal@thomsonreuters.com
Visit flosuitelegal.com

FLOSUITE LEGAL



THOMSON REUTERS™

DPScloud

The unique one-stop-shop solution
for the modern law firm's every IT need...

Look to The Cloud with the
right Strategic Partner...

Evolve with DPScloud and benefit from:



DPS Legal Software Packages
Microsoft Office 2010 Licences
Disaster Recovery & Business Continuity



Fixed Monthly Costs | Scalability

Fully-Managed IT - More time to Focus on Legal Work

www.dpssoftware.co.uk | www.dpscloud.com

Tel: 020 8804 1022



Feature

Is round one already over?

Rupert White reports on what the mid-tier must do to survive as the ABS gloves come off

After liberal amounts of doubt and uncertainty, and quite a lot of denial, the legal sector is finally feeling the impact of great change.

The shockwave isn't quite here, but the heat's now being seriously felt, from the high street to the high rollers in the magic circle.

Like any sector in great change, the biggest players will be less affected less quickly – they have the largest clients and the best systems in place (comparatively).

So, this year's strategy issue focuses on the firms outside the top band, because they may well be in the storm front of the change that will be wrought on the sector.

What happens next for Britain's top law firms?



Many top 100 firms are feeling the pinch – revenues are down, the sector is over-capacity and those further down the top 100 face a stark choice: find a niche and be the best in it, or work out how to grow or diversify your client and practice base, soon. Or face the Co-op mopping up your work.

That's the scent on the wind, and it's making some people very nervous indeed. This year the Co-op took its first big steps into legal – recently announcing it intends to hire more than 3,000 staff over the next five years, and it's now considering buying a conveyancing business. After the last few years, many conveyancing firms would probably roll over backwards to get that offer.

But there's also opportunity in the shake-up, and drive to be gained from the competition.

Tackling strategy implementation

Andrew Manning was, until just weeks before you read this, CEO of Bevan Brittan, one of the top 100 specialist firms playing hard in niche areas. Bevan doesn't want to be a 'big' firm, according to Manning – it wants to be at the top in its chosen field. This means the firm will never be big, but that's a strategy (when it is a strategy) that is looking increasingly clever.

"Being in a very competitive market is relatively new for law firms – 20 years ago, they couldn't even tout for business," Manning explains. "We've seen a fundamental shift in the balance between demand and supply in every industry, and that's what lawyers have to deal with. All things being equal, the price people will pay for legal service, and for lawyers, is going to fall. That's a big adjustment."

Many have said this automatically means shifting work to lower-cost domains or people, but Manning isn't so sure. "I believe some firms are jumping to some wrong conclusions at the

moment. I've done analysis that clearly shows that just because someone is paid less, doesn't mean the matter costs less to do." It may also cost clients; Manning points to the fact that many businesses that offshored their call centres have since brought them home – the customer is, eventually, always right.

But fundamental changes in the market have happened, he says, and they have consequences. Now real competition is here, "you have to be better at thinking your way through the solutions and implementing them".

Unfortunately, implementing change is something very hard to do in legal. "The senior people in most of the top 100 firms, and also beneath that I'm sure – most, not all – are thinking reasonably strategically. That's not the fundamental issue. The bigger problem, and it is a huge challenge, is the ability to implement strategy."

This problem isn't unique to legal, but it's harder in legal because the sector is dragging an anchor with it: partnership. This not only makes it very hard to close down unprofitable work areas, but it also makes it hard to identify 'core business', he says, because partnerships tend to be quite diversified in terms of services and markets. Achieving true strategic change therefore is not easy, he says, which is something of an understatement.

Some say that law firms need governance reform to help them adapt to this rapidly developing scenario – bringing in CEOs, shrinking the executive/management board to a tiny cadre with the power to decide the firm's fate. But Manning, even though he was one, disagrees.

"I don't think it matters whether you are called CEO, managing partner or king of the castle – it can be very difficult to actually implement strategy. That's why most strategy at the moment is everyone just getting bigger, because it is relatively easier to achieve."

But growing won't necessarily help, he says, because those firms "won't actually get any more focus".

What will be achieved by growth for growth's sake? Where's the competitive advantage?

This, he says, is the real strategic question.

Watching, but not waiting

So is the answer to specialise? Well, maybe. Stephen Allen is director of innovation at Berwin Leighton Paisner and helped set up the firm's legal outsourcing branch, BLP Managed Legal Service. This is, some might say, an example of true added-value – you won't get secondees... we'll just replace your whole legal team on a fixed price.

"Some niche firms will continue to thrive in very specialist areas, such as Sackers, but these will be fewer and further between," he says. Splitting the legal sector into commercial and retail firms, to Allen the successful commercial firms of tomorrow will be those that "ensure scale" by mergers or team acquisition, cut overheads through back- and middle-office efficiencies, process improvement, technology and multi-sourcing, and reduce lawyer headcount in favour of concentrating on 'legal tasks'. Client service, project management and strategy will be supported by non-legal people.

Allen's another legal leader who thinks the top 100 will undergo a serious thinning out – but for commercial firms "the main competitor to the traditional law firm partnership model

will be clients hiring lawyers and doing it themselves".

This might be through models like BLP's (unsurprisingly), but it needn't be. Why wouldn't corporates just hire a legal process outsourcer, like CPA Global? Law firms should certainly not write that off.

"Strategically minded law firms should have one eye on insurance companies, procurement businesses, HR outsourcers, banks and



For commercial firms "the main competitor to the traditional law firm partnership model will be clients hiring lawyers and doing it themselves"

Stephen Allen, director of innovation, BLP

accountants, who may see law as another 'vertical' service offering to complement their existing offerings," Allen warns.

Charlie Keeling should understand this challenge – he was a change management consultant for Price Waterhouse in the 90s, and

is now COO for Field Fisher Waterhouse after spending nearly four years as HR director.

“Mid-tier firms face two major challenges: dropping commercial revenues in the UK, because there’s too much capacity in the marketplace, and the Legal Services Act, which also provides opportunities.”

Mid-tier muddle? Not necessarily

Worse, clients know there’s over-capacity, and if firms don’t respond to that by changing their resourcing models and by looking at the way work is priced, says Keeling, revenues will continue to decline until those firms not acting become a distress purchase or a merger target.

“We’ve got new entrants into the sector with totally different business models. They don’t have an army of partners – they have one or two leaders of the business. They’re very lean, so their cost structures are much more competitive.

“We have to try to replicate that in the margin-starved parts of our business. [The sector] also needs to think about outsourcing key activities, like discovery and due diligence, which can be done much more cheaply overseas by very talented people.” Outsourcing brings its own challenges, though, he says.

Firms in what Stephen Allen calls the retail part of the legal sector have even more to worry about. New entrants want their work and they can deliver it, probably at a much keener price and possibly at an equivalent or, dare we say it, better level of customer service. This is why, says Allen, the changes in retail legal will be “much more seismic”.

“Many firms [in that segment] are operating on much lower margins and have taken the ‘commoditisation’ hit already without really transforming their business model yet. They spread their equity too thinly, and will need

to acquire new teams or other firms without adding to partner numbers.”

These firms will see “huge” pressure from ‘retail-facing’ ABSs, he says, such as the Co-op, Saga, and so on – “which will have the financial might and the route to market to grab clients”.

To Manning, this change means fewer lawyers, more lawyers without a route to partnership and less lawyer pay. But it might also mean a fundamental shift towards more professionally balanced legal businesses, whether they’re small or large. And that’s how a firm called Kinstellar works

Can business services save the day?

Spun-out from Linklaters in 2008, Kinstellar doesn’t play in the UK market. It gets a lot of its high-end work from big firm referrals, it has an almost 50/50 staff split despite having a headcount of just 250, and it’s a shareholder-based business.

Patrick Lynch, Kinstellar’s COO, says the firm’s strategy is to offer magic circle quality in Anglo-Saxon fashion in areas that top 10 UK law firms don’t reach. But it can only do this because staffing costs are lower than in the UK, and because it’s retained the near 50/50 staffing split common in only the top UK law firms.

“We’ve tried to maintain very similar levels of business services investment to [that at Linklaters], but our clients are much more price sensitive. That puts pressure on margins and, therefore, on resourcing the back office.

“But we’re in this for the long game, and we think that appropriate investment in marketing, particularly in training, will pay off.”

Business services leaders are also getting recognition as strategically vital elements in the big firms. Hogan Lovells litigation partner Neil Mirchandani says that firms like his are now, whether there’s a formal panel or not,

competing with three to five firms that do most of the commercial work there is to do. This has meant a significant shift in the kind of business services people the top firms are hiring.

“We are now looking for people who are a bit like lawyers, in the sense that they’re front-office rather than back-office,” Mirchandani explains. “We have business services people who have equivalent contacts within our key clients, and they’ll deal with things that would previously have been the sole preserve of the client relationship partner – and that’s working well.

“You’ve got to have people who can think creatively about what their firm has to offer and what the client might be looking for – in some respect, that’s their day job, and the lawyers’ day job is practising law.”

This is a sea-change in legal. Business services is now seen as an intrinsic part of the future of forward-thinking law firms.

“Strategically, we’re looking for people who are comfortable with being client-facing, people who are ‘partner-equivalent,’” says Mirchandani. “They’re going to add value to clients, but there’s also a cost saving because [hiring them] helps to free up the client relationship partner to concentrate on relationships.”

So, in strategy terms, the game is now well started. Top 100 and 200 firms that want to compete have several routes open to them: international growth, market dominance in a niche area, and growth to major league size through consolidation. But underpinning all that will be you, the **Briefing** reader. Law firms need you now more than they ever have.

Or, as Lynch puts it: “Those firms that are prepared to invest in professional management are going to be the ones that come out on top. I’m still quite critical of the way in which partnerships have traditionally [operated] – they are really good at doing lots of things, but they are not that great at running law firms.

“From a business perspective, most change has only ever taken place in periods of crisis –



“New entrants are very lean, so their cost structures are much more competitive. We have to replicate that in the margin-starved parts of our business.”


Charlie Keeling, COO, Field Fisher Waterhouse

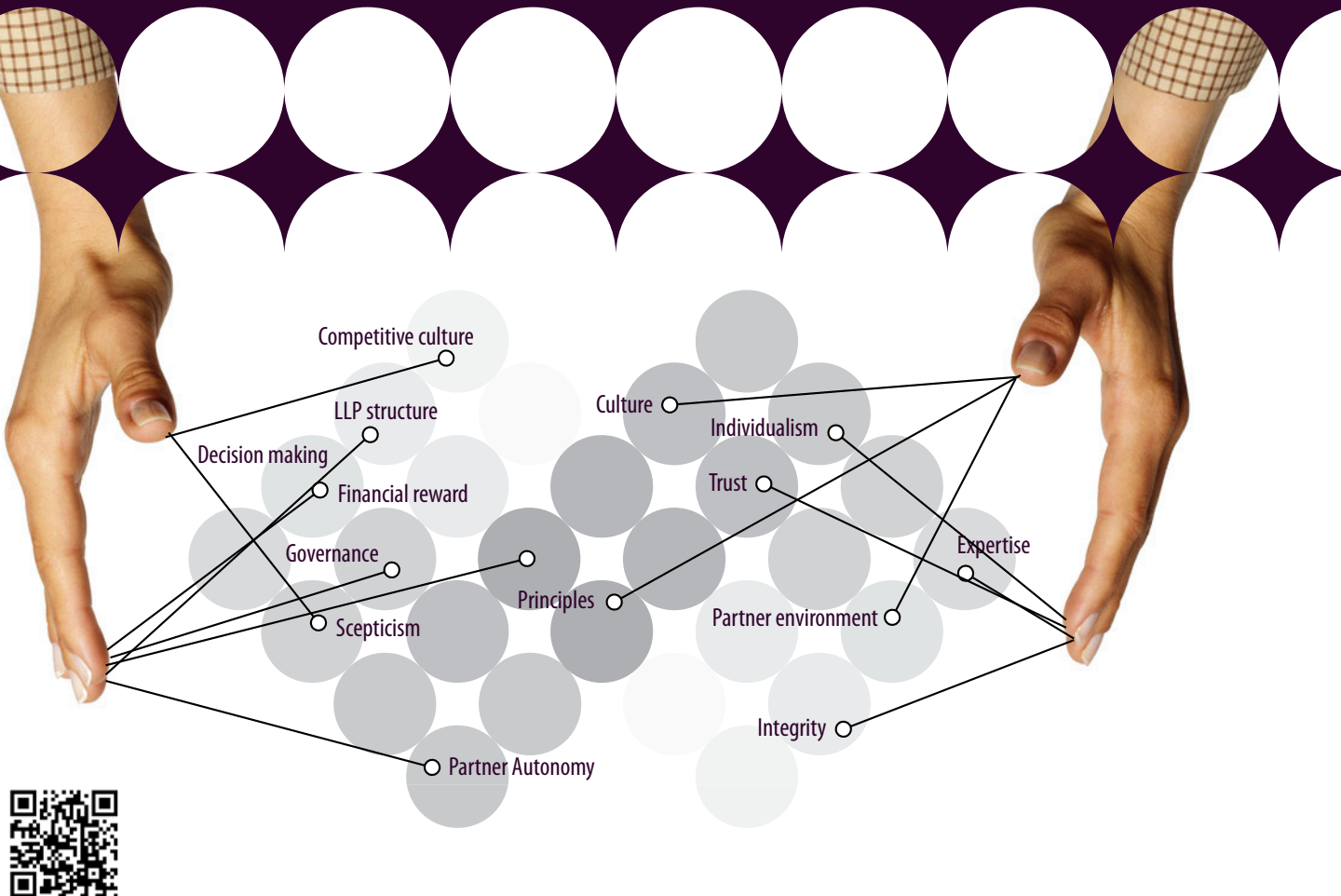
that’s why people are changing. You don’t need to be big to have professional managers, and the firms that listen to those people rather than just have them there, are going to be the ones that push ahead and do well.” ●

The changing face of law firm management

- Q. Which recruiter has placed over 30 COOs, CEOs, Practice Directors or Business Managers into law firm roles in the last three years?
- Q. Which legal sector recruiter has placed roles with job titles you might not have imagined a law firm to ever have – Head of Contract Management, Project Manager, Talent Director, Non Executive Director, Director of Analysis?
- Q. Which recruitment firm has hired a number of “right hand people” to Managing Partners to help them as their roles diversify?
- Q. Which recruitment firm recruiting business services professionals exclusively for the legal sector sources 50% of its placed candidates from outside the legal sector?

A. Totum

 +44 (0)20 7332 6332



www.totumpartners.com

TOTUM
Talent for law firm management

Jobs with Briefing

Reveal your next career move

Business Unit Director of Operations

Channel Islands Newly created Director of Operations role at one of the world's leading offshore legal and fiduciary firms, focusing on managing day-to-day operations. Must have knowledge of outsourced investment fund administration.

Go to bit.ly/BizUnitDirTotum to learn more about this role

TOTUM
Talent for law firm management

TOP JOB

Global Compliance Manager

South East Global leader in Accounting Software and Financial Systems is going through a period of high demand and growth, and requires a Global Compliance Manager to drive their strategic plans. Apply now!

bit.ly/ComplianceMgrTower



IT Trainer (part-time)

London Manage and deliver training requirements for all staff on applications supported by the firm, take responsibility for resolution of application support issues, and assist the IT Manager with any key project deliverables.

bit.ly/ITTrainerFasken



HR Projects Manager, Freshfields

London Working closely with the Head of London HR, providing operational assistance, managing key projects integral to the HR lifecycle and providing client-facing HR cover on an ad hoc basis.



Freshfields Bruckhaus Deringer

bit.ly/HRProjMgrFreshfields

Software Developer

Edinburgh Great opportunity to join a leading firm offering excellent salary and benefits for the right individual. Knowledge of the creation and amendment of SQL queries and reports using MS reporting tools is essential.

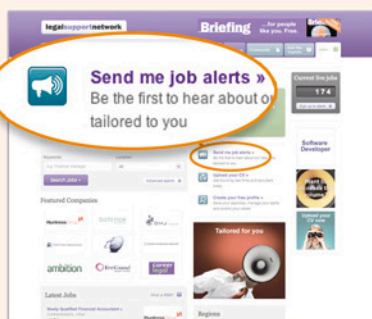
bit.ly/SoftDevSimpson

SIMPSON & MARWICK
SOLICITORS

Click here for more legal business jobs: jobs.legalsupportnetwork.co.uk

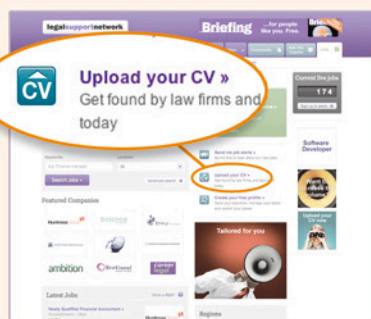
Send me job alerts

Be the first to hear about our new jobs, tailored to you



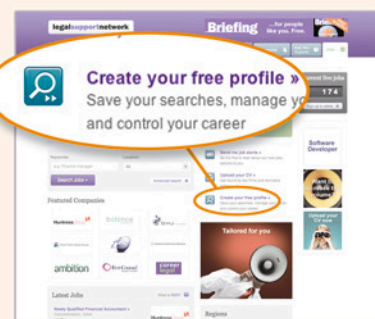
Upload your CV

Get found by law firms and recruiters today



Create your free profile

Save your searches, manage your alerts and control your career



This issue of Briefing was sponsored by

ELITE®

LexisNexis®

LSN's networkpartners



Your move...



Interview: Lessons from the future



Briefing talks to Elisabet Hardy at **Elite** about the benefits of firm-wide IT as firms become more global and distributed

[jump to article](#) **page 24**

Reinventing the law firm



Tim Cheadle, general manager at **LexisNexis**, explains why technology is the secret to creating a competitive law firm

[jump to article](#) **page 26**

Interview: Planning for change



Jane Galvin of **Barclays** on how firms must adapt to succeed

[jump to article](#) **page 28**

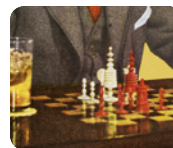
New rules for new business



Bryan Roberts of **Frayman Group** on new business intake

[jump to article](#) **page 30**

Strategies for success



Jitendra Valera of **IRIS Legal** on strategy for mid-tier firms

[jump to article](#) **page 32**

Managing mobiles



Beating BYOD, by Adrian Klingenberg at **BlackBerry**

[jump to article](#) **page 34**

Integrate to compete



Mike Barry of **Aderant** on how IT helps deliver more value

[jump to article](#) **page 36**

A photograph of a wooden chessboard with chess pieces arranged on a folding table outdoors. The chessboard is light-colored wood with dark squares. The pieces are white and black. The table is white with black legs. The background is a dark, textured surface, possibly asphalt.

Briefing Industry Interview

Lessons from the future

Creating real firm-wide IT has huge benefits for the distributed legal business, as sectors like manufacturing and retail learned, says Elisabet Hardy at Elite

Legal businesses will need firm-wide IT to connect financial and operational information to deliver on strategic goals – especially if they’re aiming for international expansion.

This is Elisabet Hardy’s perspective. As Elite’s vice-president of product management, she gets to hear what firms are really doing, as well as their challenges.

“A lot of firms, especially those that aren’t regular Elite clients, are struggling with managing the different systems they have. Law firms have added new applications into their IT environment over the last decade, but they’ve never taken a step back to ask: ‘What do I need, from a business perspective, to have a single insight into how my firm is actually operating?’”

The pressures of a recessionary European economy, pressure from clients to deliver more value and more collaboration and transparency, she points out, require today’s law firm to have

a good operational set-up internally.

“Clients are now demanding to have that type of information at their fingertips whenever they need it. There’s a growing need now at law firms for a solution that can give any type of insight into workflows and matters and how the firm is doing financially – not just from an operational perspective.”

This binds business benefit from better IT to real client value. “Client benefit comes from a better understanding into multiple matters or areas of work being carried out by the external law firm. There’s also the promise of opening up collaboration, giving the client power to do far more proactively, from pulling their own metrics to just seeing matter information.

“And providing better and different types of reports that are really measured against budget, for example, delivers enormous client value.”

Firm-wide fully integrated IT is, in essence, enterprise resource planning for law firms,

and it brings with it highly useful transactional benefits, too. “There’s great benefit in being able to populate information across systems automatically,” agrees Hardy, “but I think a lot of the benefits are in workflow. When you’re taking in a new matter you’re already collecting a lot of information up-front – there’s no reason why that can’t then flow all the way through to financial management, billing information and billing systems.”

Beyond workflow, fully integrated technology platforms deliver the vital firm-wide insight across operational, financial and delivery areas.

“Once you have information that’s the same or shared across different applications and programs, you can get a true look into how you’re really operating. This is what drove ERP to grow up in sectors like manufacturing, distribution and retail – you simply couldn’t consolidate information before.

“That’s where I see the business benefits on top of operational efficiencies, workflows and not having to duplicate information. The external pressures on law firms mean they really need to more than ever see themselves as a business – and if you’re running a business, you have to know how you’re doing operationally, financially, in terms of risk management and more.”

Catching up with clients

Law firms are now going through some of the changes that other business sectors have already dealt with over the last 10 or 15 years, she says, so it makes a lot of sense to ask how they became far more efficient. “It’s even more important now for law firms to make sure that they can consolidate information across

departments. Becoming more distributed, carrying out work in different locations, changes how you’re running your firm.”

With so many top firms reaching out into international markets, she adds, it’s strategically important to consider engaging in ERP IT before a big push, rather than having to work out later how to join up a much larger business. Not only will this make managing a distributed firm easier, but it will significantly

“There’s a growing need for a solution that can give any type of insight into workflows and matters and how the firm is doing financially – not just from an operational perspective”

ease risk and compliance management.

One of the biggest changes at the user end of IT has been the move to mobile working. So, with strategically important information being both consumed and created on the move, anywhere in the world, firm-wide IT systems must now incorporate mobility inherently.

“Strategically, you should have a constant eye to how much of information comes from and can be delivered to mobile,” says Hardy. “It has to be done properly and provide you with the ability to get a more consistent firm-wide security policy.”

Learn more about firm-wide
Elite IT solutions for law firms
www.elite.com



Industry analysis

Reinventing the law firm

Technology underpins a truly competitive legal business, says Tim Cheadle, general manager, LexisNexis Enterprise Solutions

Despite the economic and regulatory pressures, the legal sector has shown tremendous resilience over the last few years. The Law Society's 12th financial benchmarking survey (May 2012) shows that firms have begun rebuilding profitability, and many practices are expecting to see a 3% increase in fees in 2012.

But market conditions are leading to an irreversible change in the legal business model. Triggered by reduced budgets, general counsel have re-assessed their legal spend and adopted new models for sourcing legal services. Rio Tinto, for example, has an outsourcing deal with CPA Global in an attempt to save 20% in annual legal costs. Microsoft is using Integreon for legal support services, such as contract and offshore document review.

Firms are also facing more competition from volume legal services providers. And, of course, there are the new market entrants in the form of alternative business structures.

Winning strategies

As these market changes embed, legal practices are devising their 'winning' strategy – one that will transform their business and poise them

to compete in an evolving, competitive environment. Many top-tier firms are pinning their winning strategy on becoming specialists.

Some firms are creating a niche in providing basic low-value, high-volume legal work. For example, Bradford-based Drydens Lawyers and Leeds-based Fairfax Solicitors merged to create the largest debt collection and debt litigation business in the UK.

Firms are also developing new operational models by exploiting outsourcing, an example of which is Allen & Overy's transfer of its back-office operation to Belfast. Firms such as Berwin Leighton Paisner are providing 'managed legal services' to large corporates, and national firms with international aspirations, such as Irwin Mitchell, are restructuring to become ABSs, with much



more flexibility as a result.

Regardless of the business model, integrating technology as part of the overarching business strategy is vital. Technology is the platform for business transformation, the operational enabler that also delivers enhanced customer service and provides competitive advantage.

IT: the business transformation enabler

Efficiency is now the top priority, refocusing attention on automated process workflow. Firms are deploying systems to automate administrative tasks for lawyers, such as audit record generation, reporting, task management, compliance and conflict-checking. This focus on process automation for high-value legal work is a big shift from when most firms concentrated automation on high-volume areas.

There's more interest in applications that make legal process more efficient. Document drafting and automated document generation tools are finding favour because they speed up and de-risk the document development and checking process. Automating business processes to ensure compliance and risk management is now a priority as the regulatory burden increases.

This overarching need for workflow-based process automation is leading firms towards the creation of a truly connected enterprise. Firms have numerous technology applications such as practice management (PMS), CRM and so on, but while upfront integration

between these systems is good, the underlying process automation across these business critical applications is often largely manual. Firms are therefore adopting development tools to integrate applications to create a seamless business environment.

Operating as profitable, commercial entities is now a must for law firms, but the traditional PMSs are proving to be inadequate.

Firms need technology that encompasses client, matter, financial and HR management, resource planning, global accounting,

“An ERP-led approach will soon become the default business operation methodology for legal practices of all sizes.”

procurement, reporting and business intelligence – hence a growing interest in enterprise resource planning (ERP) systems. I would go as far as to say that an ERP-led approach will soon become the default business operation methodology for legal practices of all sizes.

Law firms are faced with new demands from all fronts, but they also have at their doorstep the opportunities that change offers. Technology is the business transformation enabler that can help practices to innovate rapidly and achieve their business aspirations.

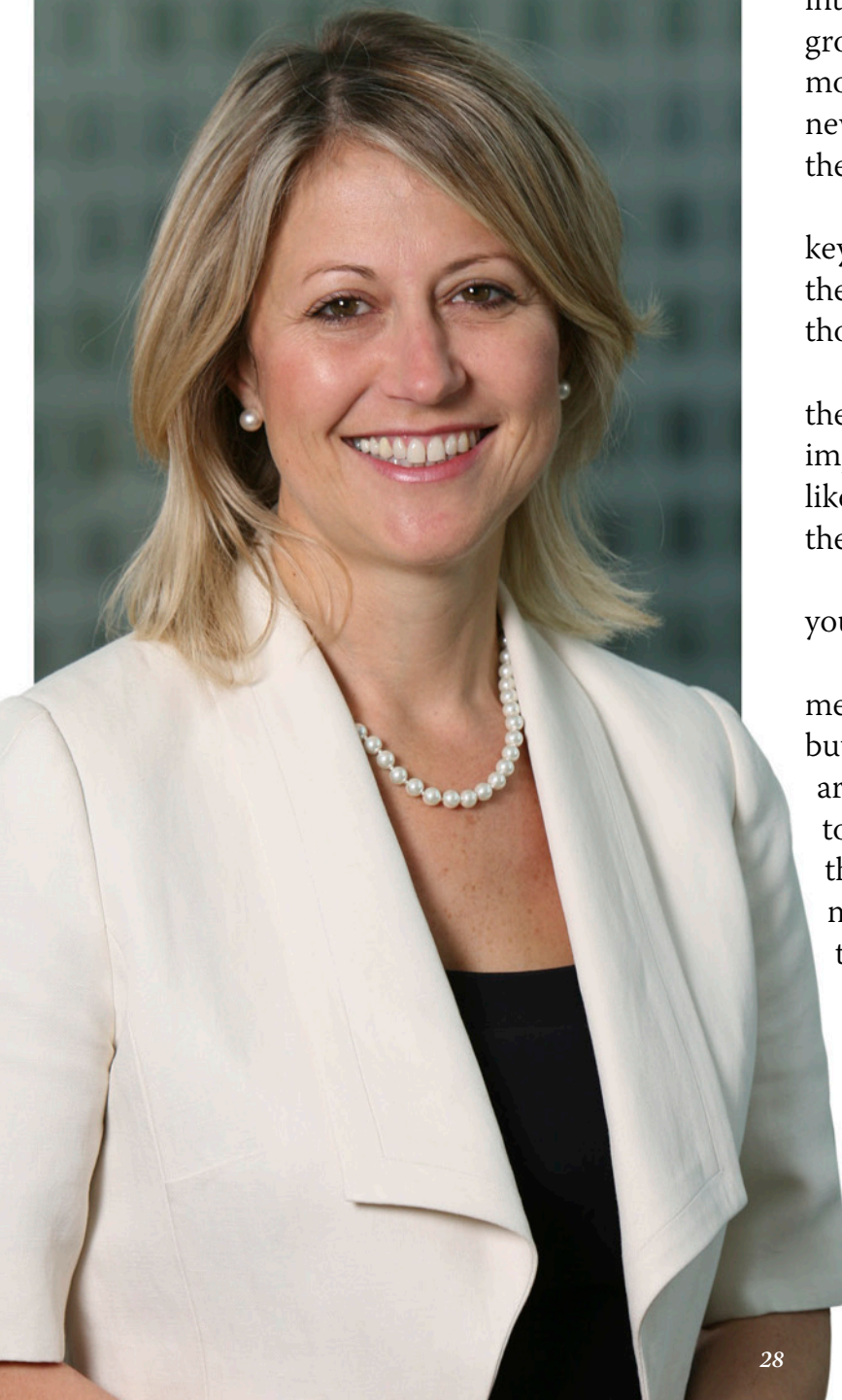
Find out more about
LexisNexis legal enterprise IT
www.lexisnexis-es.co.uk



Briefing Industry Interview

Planning for change

Briefing talks to Jane Galvin, MD and head of professional services at Barclays, about how firms are adapting to succeed in a very tough legal market



How do you plan for the unexpected? Why should your firm think hard about cutting off less profitable areas of work? And how do you know what they are?

Jane Galvin, managing director and head of professional services at Barclays, says three areas above all matter when answering those questions: international growth, market consolidation and profitability.

Focusing on profitability has had a consequence of pushing some firms further into international markets – that’s where the growth is, after all – “but firms are also getting more focused on not only how to deliver to new markets, but also how they can broaden the offering to existing clients”.

They’re also becoming more specialised in key areas, she says, looking at areas in which they’ve earned a strong reputation and growing those areas to improve profitability.

Market consolidation is almost a given at the moment, but this ‘niche focusing’ is very important – successful firms should in future, like any business, more closely identify what they do well and focus on that work.

That’s the strategic goal, but to achieve it you first have to identify what you do well.

“Many firms have systems that let them measure the profitability of individual clients, but there’s a long way to go until all firms are there. A lot of firms are coming to us to finance improved technology, because they recognise that they have to have the management information to give them all the facts from which they can make strategic decisions.”

This is all being pushed forward by the combination of the recession and the Legal Services Act, and at its heart is a need for efficiency.

“Firms must now try to increase their efficiency and find ways to improve profitability, and proactively look at

how they can connect different parts of their business and client relationships to lead to future growth. The one thing we have learned through the global recession is that you have to plan for the unexpected, and I think the majority of firms recognise that now as well.”

Those firms, she says, understand the key areas that they can be profitable in. “We’re seeing some niche firms doing really well, because they have a great reputation at being best-in-class in that area. And the really good firms are in front of their clients on a regular basis, and have great client information available so that any partner can access the latest records to understand the conversations happening with clients.”

Firms have to find their niche and work it, because there’s less work to do in the UK market, and this reduction in the amount of work won’t change, Galvin warns. Panel reduction is going to be a painful realisation of that, but some firms, especially in the mid-tier, can counter this by being proactive in how they can provide varying levels of service, such as outsourcing and “proactively working with clients to find out what works well and find some win-win solutions for both sides”.

Planning for the unexpected, to peer into a post-ABS future, isn’t easy. But Galvin says firms can take lessons from management consultants and accountants – businesses that do a lot of scenario planning. “What happens if, say, the top 10% of your clients change their strategy, or want to reduce the number of panel firms they have? What would be the impact of that on your business and what could you do to mitigate the impact of that?”

Barclays has done scenario planning with some of its legal clients, she says, and she encourages firms to get even more out of their business partners. Galvin also recommends

taking on non-exec directors to help with scenario planning and strategy.

Law firms have worked hard in the last few years on their strategy planning, she says, and are even beginning to ask others for advice. Barclays is seeing more firms turn to clients to understand their own future business needs and plan their strategies, she says. “I’m not sure it comes naturally to a law firm to ask clients’ advice, but they value an open and honest relationship – and it’s worth considering

“The really good firms are in front of their clients on a regular basis and have great client information available, so any partner can understand the conversations happening with clients.”

having an open and honest conversation.”

Firms will have to think hard, regardless of what they decide, she says, because the next few years hold huge change. This will affect the high street as well as top 200 firms, she admits, with a radical reduction or consolidation in the PI market as ABSs come into play.

“The worst-case scenario is to hold on and assume that nothing will change,” she warns, “because only one thing is certain – this industry is going to go through more change in the next five years than any other time.”

Learn more about how
Barclays can help your firm grow
barclays.com/corporatebanking




 An illustration of a man in a black top hat and suit, holding a tablet. A dotted line of stars curves above him. The background is a textured teal color.
 Industry analysis

New rules for new business

Hard times and new regulation could be a great driver to making firms' new business intake better and more compliant, says Bryan Roberts, UK managing director for the Frayman Group

Much of the strategy talk around law firms in 2012 relates either to how they are going to grow their businesses, or how they can make the processes by which they do legal work more efficient. New business is, perhaps, the most important component in this mix – how fast, efficiently and compliantly a law firm can create new work underpins its competitive edge.

But a painful combination of the recession and the regulatory reform of the Legal Services Act has created an opportunity for firms to transform new business and risk-related IT cost centres into competitive advantages. The result is a redefined approach to new business intake that's strategic, safe and fast.

Just as the billing department was considered the 'engine room' of a law firm in the 1990s, using automation to improve efficiency and throughput, so compliance functions are today's new engine room,

powering a firm's ability to transact through the use of automation and efficient process.

When it comes to growth there are two main routes currently at the fore – consolidation at home and international markets. Both of these produce business induction challenges in terms of risk management and workflow capability, but also provide great opportunities.

For example, one of our UK client firms – a top 30 firm – has grown internationally and has complex requirements for managing commercial conflict checking as a result. The firm's management wanted to automate a common best-practice approach to new business intake (NBI) across all their international operations – they chose our Compliguard technology to provide it, which delivers sophisticated conflicts capability, best-practice workflows, information barriers and integration in one.

Mergers represent another challenge

that creating firm-wide intake policies and workflows can solve. Two merging firms often use different technology systems and business rules (if both use them at all). Having a flexible solution, whoever makes it, that's not based on yesterday's technology or cobbled together in-house can make a merger, on the BD side at least, a relatively painless affair.

New business and your new COLP

Many of today's NBI systems, however, were built for yesterday's regulatory environment, and not developed in close co-operation with risk management leaders. This means they might not be truly reflective of a firm's risk profile and practices. Outcomes focused regulation also has a significant impact on new business intake – and now that compliance isn't a tick-box process, a more sophisticated workflow approach to NBI is needed.

Here's an example: a firm might have a rule that no work, or even email communication, can begin against a matter until related information barriers and ethical walls are in place. But the existing new business intake system may issue a client/matter number to the requesting lawyer simply on demand, and the team will begin billable work on the matter before required security is fully in place.

This challenge will be of particular interest to the new compliance officer for legal practice (COLP), a mandatory role by the end of this year – this person will carry personal liability for compliance, and if IT and business development can demonstrate good business intake and compliance with the firm's reading of OFR, as part of an overall risk management plan, the firm can deliver a strategic goal and a compliance need simultaneously.

But one of the toughest challenges for most firms now is handling how lawyers really need

and want to work – giving them the power to deliver new business whenever, wherever.

Going mobile

While most NBI systems have moved the approval process from the physical 'inbox' to the virtual one, the reality is that lawyers are using their hand-held devices to keep business moving and to remain competitive.

NBI processes and existing systems must deal with the reality of this increasingly mobile workforce. A lawyer might need to send a request for new business from a cab in between meetings or before jumping on an 18-hour flight to India. Hundred-page conflicts reports can't be sent and reviewed or marked up on handheld devices. This dramatically slows the approval process – just for new reasons.

The recession has served as a highly disruptive force. Law firms are now refining their business strategies and applying new dynamics to old business practices, choosing to focus on long-term planning supported by strategic investments that will ensure return on investment. We think NBI technology can provide a compliant route to getting the client/matter number as fast as possible – a route to competitive advantage – while binding fully to business-wide IT systems that law firms are slowly but surely adopting.

We work with firms such as Pinsent Masons, Holman Fenwick Willan and Macfarlanes on solutions to these problems, and we think any firm that addresses these challenges head-on will gain a competitive edge – and let their COLP sleep better at night.

Go online to learn more about
Frayman Group NBI solutions
www.fraymangroup.com



Industry analysis

Strategies for success

Mid-tier firms can be more agile than larger firms, but they need the right strategy and technologies, says Jitendra Valera, chief marketing officer at Iris Legal

The mid-tier is being squeezed as larger firms look downwards to seize market share, while bigger high street firms look to move up. But with the right strategies mid-tier firms are in a good position to fight back – and succeed.

Mid-tier firms are big enough to matter and small enough to be agile. But to succeed, mid-tier firms need to understand who they're up against. Alternative business structures (ABSs), be they law firms or new entrants, will be well organised, run as profitable businesses and well funded, and will have strong brands and the IT to gain cost efficiencies and competitive advantage.

Strong CEOs (who aren't lawyers) with vision and a strategy can transform a firm into a high growth business. But no matter how good the CEO is, the execution of the strategy depends on having the tools to establish, track and manage key business and performance information.

It's therefore vital for mid-tier firms to have practice management systems that can help

set budgets and measure key performance indicators, as well as controlling costs and profitability at a micro-level. Modern systems also improve cashflow by creating alerts for fee-earners when there's a danger of non-billable work creeping in. Automated workflows ensure payment is received on time, or escalation policies are activated to recover a debt.

Mid-tier firms looking for competitive advantage (and better chances of external funding) can also manage fixed-fee work using technology to determine case profitability and create projections on remaining work to be completed and other key metrics.

Practice efficiency

In the post-ABS environment, mid-tier law firms need to engage more with their clients and move to a degree of self-service. This

means improving automated processes and exposing them to clients. Other areas of efficiency through automation are electronic forms and time capture. It's amazing how much billable time is not captured and lost or written off. Automated time capture delivers more profitability and helps eliminate wastage.

Lawyers also need to be effective away from the office, which means mobile access with rich functionality is now a must.

Effective marketing

Smart marketing only happens when integrated with the process and with practice and case management.

Clients will increasingly expect to find and work with firms online. This means having IT that can enable exchange and review of documents, bill payments, updates and tracking cases online. Outbound marketing also needs to be smarter. Email campaigns need to be properly measured and tracked, for example, so that they generate real leads, not just brand awareness.

Firms that use tools to review and analyse their pipeline can forecast more effectively, which will increase fees and profitability. And a strong brand needs to be created – digital marketing tactics, including social media, help create intrinsic value that can be leveraged for more funding or realised on exit.

Automating compliance

With outcomes focused regulation (OFR), compliance gets harder. This is further exacerbated by clients demanding compliance with security, privacy and other standards. Mid-tier firms should automate as much compliance

as they can, including conflicts and anti-money laundering, and be able to produce an audit trail.

Firms also need tools to manage the wider risks OFR brings, such as those that translate risk management policies into actionable items that can be monitored and issues highlighted.

A single IT platform is key

A single, integrated platform with rich functionality across all operational areas is a key competitive advantage – and a better model



“Mid-tier firms that focus on improving their processes and investing in technology are more likely to be well positioned to capture the growth that the changes in the legal market will offer them.”

for mid-tier firms. These systems have the best practice functionality already built in, and they're modular and scalable but less expensive to buy and operate, enabling mid-tier firms to compete without expending huge effort or cost.

Mid-tier firms that focus on ways to improve their processes and invest in technology are more likely to be well positioned to capture the potential for growth that the changes in the legal market offers them.

Learn more about how
IRIS Legal can help your firm
www.irislegal.co.uk



Industry analysis

Managing mobiles

Firms can benefit from the bring-your-own-device trend, but they need better tools to manage all the devices in play, says Adrian Klingenberg of BlackBerry

Two trends are bringing about a transformation in business IT today – the popularity of consumer technology among business users, and the shift of business applications and data to the cloud.

According to IDC, smartphones could account for 70% of all western European mobile shipments by 2014. Up to eight in 10 of these will be consumer units.

Businesses want to turn the benefits of mobility into performance, and deploying consumer devices, with their ease of use and low cost, is central to that. Unmanaged use of those devices, however, has its own problems.

Data protection

First and foremost, legal IT departments must consider security and data privacy. Providing remote access to company data will always pose

risks, unless the process is managed carefully. An unsecured device could provide a back door for malware to enter the company network, for example. Relatively few firms, however, take precautions to prevent malware affecting portable devices other than PCs, or to prevent it migrating from portable devices to the network through USB or other connections.

With law firms increasingly needing anytime, anywhere access to information, it's critical that IT departments act to secure both data on the device and the information that flows between it and back office systems. Failure to do so exposes the business to regulatory and legal sanctions.

Hidden costs

As businesses scale up their mobile operations, supporting a mix of tablets and smartphones,

device support can place a significant burden on IT departments, with different operating systems and applications in play. Firms might have IT policies, but they also need to make sure these policies apply to smartphones and tablets as well as to PCs.

IT departments also need to control cost, whether of the devices themselves, downloaded apps or voice/data traffic. The latter can be especially challenging for businesses with staff who travel internationally or who use their own talk and data plans and claim back the costs.

It might be tempting for IT directors to see bring-your-own-device (BYOD) as driving cost-efficiencies, but Aberdeen Group research found that a business with 1,000 mobiles spends on average an extra £107,000 a year when it takes a BYOD approach.

A consumer-friendly IT strategy

Though there may be a case for restricting some aspects of consumer devices, studies show that employees perform better when they have more control over and choice of their IT.

Law firms will find it easier to give that control if they have an IT strategy that supports and even encourages the consumerisation of IT. Legal IT directors also need to work with HR and in-house counsel to set clear rules for staff on the use of personal devices – and the management of business and personal data.

Mobile device manufacturers and mobile networks increasingly understand that personal devices have both a personal and a business side. Technologies such as BlackBerry Balance, for example, allow IT departments to set up different rules for personal and work use, and to ensure a proper separation of data.

IT departments should also look at how they manage devices, applications and data. With an ever-greater range of devices on the market,

maintaining separate support systems for each vendor's device is both impractical and prone to errors.

Solutions such as BlackBerry Mobile Fusion will help manage BlackBerry, iOS and Android devices from one console, assisting with

Managing every mobile device at Clifford Chance

Clifford Chance is a long-standing BlackBerry customer, and is one of the first law firms to use BlackBerry Mobile Fusion.

The firm turned to Mobile Fusion when management took the forward-thinking step to allow staff to bring their own devices to work. A major challenge in doing that was to avoid the complexity and cost of having to manage multiple platforms. BlackBerry Mobile Fusion allows this through the Universal Device Service, giving IT the power to manage employees' devices using a single, centralised console.

The firm has combined this one-platform enterprise management console with the security and flexibility provided by BlackBerry Balance technology for BlackBerry users. Now the solution helps Clifford Chance to run a more modern, efficient and productive workplace.

bit.ly/BBFusionandCCinBriefing

easier, consistent and less costly management. This in turn will help to give legal IT leaders the safeguards they need to allow consumer devices, and their benefits, into the business.

Scan to email Adrian Klingenberg at **BlackBerry** to find out about managing BYOD in your law firm aklingenberg@rim.com



Industry analysis

Integrate to compete

Tomorrow's law firm will deliver more value using IT that creates a seamless flow of information, says Mike Barry, chief technology officer at Aderant

UK law firms are leading the charge in the use of technology to address the challenges they face – challenges that seem to run deeper than in the rest of the world.

The extraordinary pace of change in the UK legal sector is being driven by the global financial crisis, new legislation, technology developments and a move towards new models of engagement. These drivers have created a number of pressures on firms, ranging from a need to reduce costs, increase revenues and grow the business, to a rising demand for fixed fees. In IT, there's now pressure to explore and make decisions about how best to benefit from mobile technologies and the cloud.

The most insightful firms now recognise that reducing costs is not merely a matter of reducing staff numbers. They are using technology to manage business processes and tools to forecast and measure the health of the firm – implementing practice and financial

management systems with workflows that relates directly to their business, and using matter management tools to help meet the demand for fixed fees by accurately costing projects and then managing budget effectively.

But the elephant in the room is true resource management. The most successful firms tackle the problem of time leakage and non-productive employees by using time management tools to measure productivity in pounds. Forward-looking firms also recognise that they need to be working with a technology partner with best-in-class tools that are tightly integrated, and one that takes a customer-centric rather than engineering-focused approach to product development.

At Aderant, for example, we have a Human Factors Group – a mix of experts who understand how people interact with technology – who work alongside product developers and law firm employees to make



sure our technology meets the firm's needs.

Many firms that are already reducing their costs and boosting efficiency with technology are now investigating how IT can help grow their businesses, whether that's by expanding further into their current customer base or through mergers and acquisitions.

In the UK we've seen a trend towards firms buying Australian law firms, which creates a need to merge IT systems. It's essential for those merging firms to work with an IT company that can anticipate the challenges faced during a merger – especially an international one – and put in place a tightly integrated, best-in-class technology system.

Firms focused on growing their customer base will need a CRM solution specifically tailored for law firms to get the best results. Being able to gather information to tailor services to client needs, improve client experience and ensure real value is delivered will clearly differentiate a firm in an increasingly competitive market.

Historically, technology has been an enabler for change, but now it's creating change. The best example of this is in the enormous rise of mobile technology. We've all seen lawyers bringing their smartphones and iPads into the office, wanting to use them at work. Law firms now have to look at the best way to embrace these devices to gain benefit from their use.

There are so many mobile applications with an initial 'wow' factor, but it's imperative that these devices really add value and are part of a firm's workflow, tied into the practice management system, to deliver genuine business benefit.

Finally, at the forefront of many people's minds now is the cloud. Cloud computing will

become ubiquitous in the next few years, but at the moment there is still a lot of concern around issues such as data ownership and security. The cloud means different things to different firms, but the most important thing for those running law firms to bear in mind is that benefits such as lower costs and IT management overheads will only be achieved when firms work with an IT partner that has taken the time to understand how the cloud can work specifically for law firms, specifically

“Being able to gather information to tailor services to client needs, improve client experience and ensure real value is delivered will clearly differentiate a firm in an increasingly competitive market.”

for their firm.

Law firm leaders will have to rise to these challenges by ensuring they have the technology that helps them grow, manage and protect their business. A robust practice and financial management system and a tailored CRM solution are also prerequisites for success. Working with a technology company that tightly integrates best-in-class products, understands your particular needs and stays current with the latest technology will ensure that your firm will be well placed to succeed in a fast-paced, competitive market.

Find out more about how
Aderant helps law firms grow
www.aderant.com





The only event for chief operating officers and operational leaders in law firms

Last year's inaugural event saw over 90 operational chiefs from some of the most famous legal brands come together to discuss the challenges they and their firms face as the legal market changes shape.

Don't miss your chance to attend Operational Leaders in Legal 2012 – please make a note of the date and look out for further details soon.

“Outstanding event which put operational projects in the spotlight and reinforced that they (and those who lead them) can be strategic and transformational.”

Richard Jones, Director, Leadership Team, Wragge & Co

“Excellent event, very relevant.”

*Annemarie Elmer,
Chief Operating Officer,
Global Banking, Allen & Overy*

“Excellent event, good programme, format and selection of panellists.”

*Charlie Keeling,
Chief Operating Officer,
Field Fisher Waterhouse*

“Excellent. Really well organised, quality panellists and guest list.”

*Mark Carter,
Chief Financial Officer -
London, Baker & McKenzie*

“Extremely useful, valuable and relevant.”

*Peter Lewis,
Senior Director of Administration,
Bingham & McCutchen*

Call Samantha Irvine on **0870 112 5058**
Email **sami@legalsupportnetwork.co.uk**

legalsupportnetwork

Advertise in Briefing

Briefing gives you brand visibility and an authentic voice in the legal sector.

We don't just place advertorial in **Briefing** – we work with sponsors to edit, refine and reinvent their stories to make them relevant and useful to **Briefing** readers. Otherwise, why should they read them? Find out why many others have come back to **Briefing** time and again by contacting LSN.

Contact Briefing on 0870 112 5058 or at lsn@legalsupportnetwork.co.uk



Get connected to your community

LinkedIn

Join LSN's main LinkedIn group to discuss challenges, solutions and plain old gossip about legal business services

[linkd.in/LSNgroup](https://www.linkedin.com/groups?gid=11111111)

Legal Practice Management – for everyone in practice management in SME law firms

[linkd.in/PracticeManagement](https://www.linkedin.com/groups?gid=11111111)

Law Firm Outsourcing – does what it says on the tin. For everyone interested in LPO/BPO

[linkd.in/lawfirmoutsourcing](https://www.linkedin.com/groups?gid=11111111)

Tablet Legal Users – are tablets the future for legal IT? Find out here

[linkd.in/TabletLegal](https://www.linkedin.com/groups?gid=11111111)

[twitter @lsn_team](https://twitter.com/lsn_team)

Who we are...

Briefing is published by **Legal Support Network**, the only media and events business focused on every legal business services role



Rupert White is editor of **Briefing**, and head of content and community for LSN.
rupertw@legalsupportnetwork.co.uk



Rachel Davies is **Briefing**'s editorial intern. She also helps write our newsletters and maintain our site.
racheld@legalsupportnetwork.co.uk



James Callard is LSN's head of corporate partnerships – contact him about recruitment advertising.
jamesc@legalsupportnetwork.co.uk



Stella Paterakis is LSN's client services guru – contact her for **Briefing** commercial enquiries.
stellap@legalsupportnetwork.co.uk

RETURN TO THE INDEX



print
scan
copy
talk
ethos



Tailored managed services for the legal sector

Based in the heart of the City, Ethos Communications has been providing specialist Managed Services for the Legal Sector for over 20 years.

Discounts available to all Legal Support Network members - quote LSN20

Call us on 020 7666 2704

www.ethos-communications.co.uk



ethos
C O M M U N I C A T I O N S

72 Leadenhall Market, London EC3V 1LT

