

Briefing

THE PEOPLE ISSUE

NOVEMBER 2013

The Interview

Andrew Darwin

DLA Piper's international COO on a global vision for legal business

Briefing People

Legal leaders

We speak to directors across all the roles in top 100 firms: CMS, Lewis Silkin, Mayer Brown, Mishcon de Reya, Nabarro and Simmons & Simmons

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Towards tomorrow's firms

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Directors in every key role in top 100 legal business management talk to Briefing about their roles and their vision for the future



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Letter from the editor

Legal really is the most fascinating place to work, right now. Ok, it's not the ISS or the UN, but it's poised on the edge of great change seemingly every day. That's why we love covering it from the perspective of it being a business – a business that happens to deliver legal services.

In this, the second People issue of **Briefing**, we interview seven legal business leaders in some of the brightest firms in play – and we speak to 11 of the companies working with legal businesses to transform the market, including issue sponsor **Thomson Reuters Elite**.

This month we speak to every key role legal management – operations, risk, IT, HR, knowledge, BD/marketing and finance, chosen by their peers. Our law firm management interviews kick off with the impressive Andrew Darwin, who's evolving the world's biggest legal business, DLA Piper, in Sydney – looking east and west across a mind-boggling set of timezones.

The topics covered this month range from finding career paths for tomorrow's equity-disinterested lawyers to cloud computing and hot-desking; from project management skills development to how Twitter is under-used as a way to generate interest in your firm.

It's possibly the best issue we've ever done. As always, feel free to email me with your thoughts on **Briefing**, good or bad, at rupertw@lsn.co.uk.

Rupert White, editor of Briefing

Briefing People: Here's looking at you



We speak to the people in legal leading the way into the future – recommended by their peers. Andrew Darwin, international COO at **DLA Piper**, leads an all-star cast from firms **CMS, Lewis Silkin, Mayer Brown, Mishcon de Reya, Nabarro and Simmons & Simmons**

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Industry voices: Towards tomorrow's firms



Advice and thought-leading comment from leaders in the companies helping to shape the way legal businesses deliver services and find the people to make them happen, starting with a vision of the future from issue sponsor **Thomson Reuters Elite**

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A range of great legal business services jobs on the **Briefing** jobs pages

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The Briefing Interview:

Evolution in fast forward

Andrew Darwin, DLA Piper's international COO, talks to Briefing's editor Rupert White about working at the top of the world's largest global firm – and facing up to tomorrow's competitive challenges

page 08

This month's interview with
Andrew Darwin at DLA Piper
was transcribed by:



Briefing People 2013



Feature

Here's looking at you...

Declan Tan finds out how tomorrow's law firms are a tightening coil of integrated departments – working collaboratively, internally and externally, and under commercial pressure – and evolving the way they operate.

For this year's People issue our interviewees formed a chain of inter-firm recommendations that led us from one to the next. From DLA we wound our way to **David McLaughlin, FD at Simmons & Simmons**, to **Elliot Moss, director of BD at Mishcon de Reya**, to **Penny Newman, director of people and knowledge at Lewis Silkin**, to **Kate Stanfield, head of KM at CMS CMCK**, to **Andrew Powell, IT director at Nabarro**, and finally to **Tracey Butcher, head of legal risk at Mayer Brown in London**.

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In the People issue

Interviews with people working with law firms to shape and assist legal leaders working on creating tomorrow's legal businesses.

We kick off our special People issue with an interview with three of the most senior people in the world of **Thomson Reuters Elite**, and the rest of our interviews span the world of business services, covering HR, IT, finance, global mobility, people management, communications and outsourcing.

These are senior voices with serious business perspectives. Don't miss them.

All photography in this section by Jonathan Goldberg

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Briefing Sponsor Interview:

Integrated intelligence

Elisabet Hardy, Eric Sugden and Allison Guidette, leaders at **Thomson Reuters Elite**, talk to Briefing about why one of the biggest legal software companies is integrating its people and products to create a joined-up future for legal businesses – mobile, data-driven and better developed

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Find out about the other high-level industry views we have in this issue on the next page...

All this month's interviews were transcribed by:



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A man with short grey hair and glasses, wearing a dark blue suit, white shirt, and red patterned tie, stands with his hands in his pockets. He is positioned in front of a large, dark metal bridge structure, likely the Tower Bridge in London, with a cityscape visible in the background under a clear blue sky.

The Briefing Interview

Evolution in fast forward

Andrew Darwin, DLA Piper's international COO, talks to Briefing about working at the top of the world's largest global firm – and facing up to tomorrow's competitive challenges.

Andrew Darwin has very long days in Sydney. His calls to the UK slot in at dinner time. His colleagues on the west coast are 17 hours behind him. That makes things “interesting”. There are many great things about globalisation, he says – “but unfortunately you can’t globalise the time”.

A global firm like DLA Piper (one of the few firms that can say that word with a straight face) runs up against almost all the challenges a larger firm has, he says. “Our challenges mirror the challenges of the profession as a whole – great change, consolidation, the internationalisation of law firms and an unprecedented level and pace of change in client expectations, what lawyers can deliver and the manner in which they deliver those services.”

And the people who work in law firms have changed radically, too. “The behaviour, experience and capability of lawyers have changed, because the new generation of people are very independent in the way they operate, and they grew up with the internet.” How does one of Britain’s legal exports handle that?

A new kind of employee presents challenges and opportunities, because while they need a different level and kind of support, as they swell legal’s ranks “you can innovate more around the use of technology and the use of space until you get more flexibility – but until that point, you are supporting a multi-speed workforce”.

Top that off with the cultural diversities you get in a global firm and the challenges boggle the mind – partly because the old management mantras no longer apply.

“Gone are the days when it was a case of either centralise or be centralised – it’s much more complex than that.” Some parts of a law firm can achieve a high level of centralisation, such as IT and finance, he says, but other areas “that are more people- and relationship-based, such as marketing and HR”, probably cannot be consolidated to such a degree. This is partly because though DLA is a multibillion-dollar

business, in global business terms it’s small (on overall revenues, or buying capacity, or headcount, for example). Outsourcing and offshoring can only do so much for a legal business, says Darwin, because of economies of scale – though it is easily large enough to start seriously thinking about procurement tactics and people. Internally, however, it’s very big – so there’s plenty of scope to ‘cluster’ services.

But it can’t go too far, partly because of the firm’sverein structure and because of the fact that DLA Piper needs to be ‘glocal’ – global and local.

“Our business is based on having strength in local markets, as well as the global reach. One size does not fit all, either functionally or culturally.”

This can become a very real issue just in terms of language – and not in places you’d imagine. Darwin ruefully recalls that when he first arrived in Australia, he talked to everyone



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about “the importance of performance management – and I got a lot of strange looks. I realised that what they were hearing was ‘you want to sack me’ or ‘you think I’m under-performing’, because if you talk about performance managing someone in Australia, it means you are effectively managing them out of the business”.

Being a COO and being in a global firm means pleasing two distinct masters: the clients and the talent, the recruits. “We’ve got to make sure that we are attractive to both. Clearly you cannot indulge in a false economy by coming up with a great idea to save money, which in fact demotivates your people.”

When quizzed about whether DLA’s verein nature in reality holds it back from more effective centralisation and big business behaviour, Darwin pushes back saying that unlike some of the competition, DLA is ‘only’ two structures – international and the Americas – and that there’s “a high level of collaboration between the two operating entities”.

“We try very hard to collect together those areas where there are more benefits in doing so. One principle we had from the merger back in 2005 was that we would not seek to integrate for integration’s sake, and that we would respect the different business models around the firm on the basis that they work, and that coming up with an Atlantic compromise doesn’t really work for anybody.”

What has had to change, however, are the ‘old world’ goals of equity partnership and power. DLA has around 1,400 partners, so it’s very different to being a partner in a smaller firm where you can get everybody in the same room, says Darwin. Partners sign up to a different level of engagement with the organisation than with smaller firms. “But what we’ve not lost and still value is the fundamental spirit of partnership,” he says, both in terms

of how people are managed and what their relationship is to the firm and to clients.

That last point is very important: clients like dealing with partners – take that away, and what have you got? And even without the more traditional partner attractions to those on the way up, he says, the business of law is a challenging, exciting and interesting career, and there are many candidates for partnership. “Quite often, the issue is to make sure that you are able to manage expectations and get the best out of the people when you are working on a larger scale.”

Legal isn’t going to end up looking, for those working in it and their careers, exactly like accounting or consulting, he says – and even if it does, when the other professions went through massive change, “they became more corporate, even public companies, and even in those kind of organisations they still hold on to the spirit of partnership”.

A major challenge for all firms now, says Darwin, is to manage partners and help them manage their cohorts within the firm. “An interesting challenge for global firms is that HR functions have a varying penetration through the different strata in a law firm, so the HR involvement in managing partners varies enormously from jurisdiction to jurisdiction, depending on how revered lawyers are.” In the UK, for example, lawyers expect to be managed by lawyers. Worse – in some places “once you become a fairly senior partner the idea that anybody might manage you is an interesting concept”, says Darwin.

Part of the solution is to bring in the science: metrics, KPIs. “Trying to bring some objectivity in the process is critical because linking the firm’s strategy to the objectives of individual partners is a real challenge.” But it’s something law firms have tried to make great strides towards, he adds, and DLA has moved forwards with agreed objectives and rewards

based on those – becoming a more “merit-based firm”.

Darwin, rather aptly considering his name, is now evolving DLA’s business down under, which is a great place to step more fully into the far east markets. Is that where tomorrow’s growth lies?

“Despite the recent spate of merger activity, none of us has a significant market share. It’s a large market, even if the market is not growing. For firms like ours there is a lot of market share to take – and it is interesting to come to a different market and to look at the world from a different perspective.

“The sense you get here is that the client market is receptive to international firms, providing that you are well grounded. I think as clients come to understand the benefits of working with international firms, that’s where the growth can come from. If we can grow and act for a client in one geography, and we can persuade the client to use us for its requirements in other geographies, we believe the benefit for us and the client is enormous in terms of efficiency and the profitability of the relationships. It grows exponentially as you start acting for the client across more practice groups and more geographies.

“We believe we’ve only just begun to take advantage of the platform we’ve created, and the market for legal services is still relatively undeveloped in terms of globalisation compared to other markets.”

Darwin points to the growth of King & Wood Mallesons, now King & Wood Mallesons SJ Berwin (“I think they have beaten us now

to the longest name in legal”) as an example of how much there is to go for. KWM is an example of the potential future competition that is only popping into existence – and it’s up to Darwin and his peers to face it.

“These are very interesting times. When I became a partner at the tender age of 28, I remember thinking that the existing partners had had the best of it – it was only going to

“Despite the recent spate of merger activity, none of us has a significant market share. It’s a large market, even if the market is not growing. For firms like ours there is a lot of market share to take.”

be downhill from that point. But looking back, it has been a fantastic time for law, and people becoming partners now will also have a fantastic time.

“It will be different and there will be different challenges, but for those managing law firms now, the scale and scope of what they do is very different to what their predecessors would have done. It’s harder, but the rewards and the level of experience you can get is far beyond what you could have had in legal just a short time ago.” ●

Photography: Jeremy Park in Sydney

Feature

Here's looking at you...



Declan Tan talks to (clockwise from top left) Kate Stanfield at CMS CMCK, Elliot Moss at Mishcon de Reya, Andrew Powell at Nabarro, Penny Newman at Lewis Silkin, Tracey Butcher at Mayer Brown, and David McLaughlin at Simmons & Simmons about the future of legal business.

Photography by Jonathan Goldberg

Adapting to a changing legal world environment means creating deeper connections between business services and lawyers and closer collaboration, both internal and external. Some firms are excelling at this, thriving within law's altered ecosystem – so who better to speak to for our People issue than those at the sharp end?

But instead of us picking the interviewees (what do hacks know?), we asked the operational leaders to recommend our People interviewees. We skipped from firm to firm asking a leader at every interviewee's firm to recommend a peer. We kicked off our chain with Andrew Darwin, COO at DLA Piper (see page 8). His CFO, Paul Edwards, recommended an FD in another firm.

Where this chain led us was to a panoramic view on the state of legal business today, describing the challenges and opportunities now and into 2014.

Are you sitting comfortably?

The recession and the Legal Services Act have conspired to produce a burning focus on cost pressures and efficiency in legal. Few people in law firms face the pressure head on like FDs.

David McLaughlin, finance director for Simmons & Simmons since 2005, has been at the coalface while the world changed forever. "It's a challenging market," he says – which is probably the only thing that's not about to change.

"The main challenge is still the intense degree of competition, with lots of good firms and partners competing for declining work," he says. "That's coupled with the fact that clients are becoming more focused on what they're getting for their money, whether from law firms, accountants or whoever. There's also clearly tension between the billable hour and value billing."

McLaughlin says firms must face the future

by challenging the basics of how they deliver work and respond to client needs. Referring to what he calls "the immense hype" around innovative billing and AFAs, McLaughlin says he struggles to find a billing proposal that hasn't been used before. "Lots of people talk about innovation, but actually there's very little of it."

Simmons & Simmons is, of course, looking at alternative ways to work and bill, but ones specifically related to closer collaboration – they're consulting with a major client, he says, on how to work more collaboratively between firm and client, making deeper connections – "very much a joint operation" based around process and project management.

To make this work, next year the firm plans to roll out an enterprise resource planning (ERP) solution (based on Microsoft Dynamics) known internally as 'Project Wyatt',

replacing the current HR and finance systems. McLaughlin has form in this area – his last role was at Linklaters, the only firm to use SAP, the world's most successful ERP system.

Project Wyatt will combine three pivotal components in the firm: people, process and systems. McLaughlin's under no illusions that ERP is a cure-all – if people don't buy into it, or they don't understand and use the power of the management information it can produce, it will fail. The firm is also growing into using project management tools and techniques. So, future lawyer leaders will need to have their business heads screwed on.

To make that happen, Simmons runs an MBA-style programme that all trainees complete, says McLaughlin, “developing business-minded lawyers at an early stage in their careers”.

Many law firms are now developing the new mode of project-style working, which will be taken forward by MBA-waving recruits and existing leaders alike, because it's good for firms and it's good for clients. “It's absolutely necessary to align a profitable law firm model with the client desire for value for money. It's essential.”

The profession is still many years behind the others, so law firms should look to their cousins for direction on how to be better

businesses, he says. It's all about project management and value for money – and this will be enabled by firm-wide IT and the management information it creates. “Then you can really start to use your resources far



“[We’re] developing business-minded lawyers at an early stage in their careers.”

David McLaughlin, finance director,
Simmons & Simmons

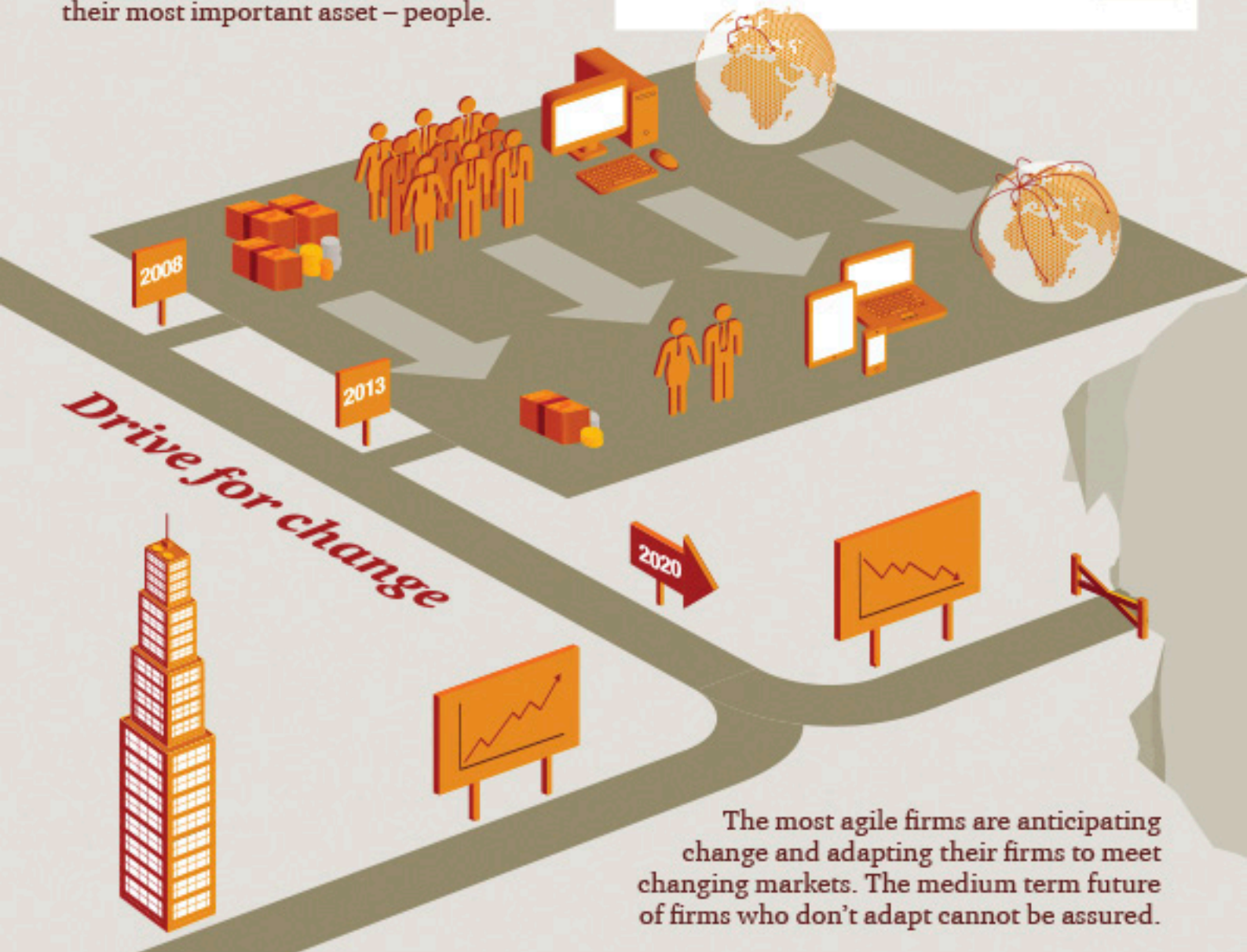
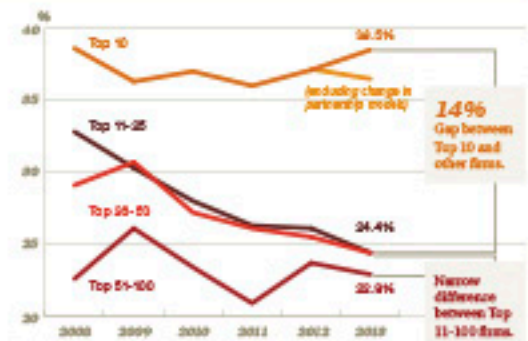
more effectively.”

That's a remarkable cultural shift, says McLaughlin – in pricing, client collaboration, project-style working – not just in finance but across the whole firm.

Law Firms' Survey 2013

Firms will need to find new and innovative ways to deliver legal services if they are to meet the changing demands from clients. Making the best use of technology will be key to future success as will finding more efficient and effective ways of managing their most important asset – people.

Profit margin trends in the UK



The most agile firms are anticipating change and adapting their firms to meet changing markets. The medium term future of firms who don't adapt cannot be assured.



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Elliot Moss, director of BD at Mishcon de Reya, has been a part of that shift at his firm, and he agrees with McLaughlin that “pricing plays a massive role” in creating tomorrow’s firm.

“It’s a critical weapon in enabling clients to feel like you’ve delivered on value, which drives loyalty and repeat use. You lose them if you don’t get it right.” Firms are using pricing as a weapon of competitiveness – but they should be an instrument of a value, he says, not simply of cost.

Since joining the London-based firm in 2009 after a career in advertising, Moss’s tenure has coincided with annual turnover skyrocketing 86%, from £47.5m to £88.4m, and a return to pre-recession PEP figures. The next Mishcon goal is £100m revenue. And recently, he and his colleagues picked up the 2013 Lawyer Management Award for ‘Best BD team’ for their approach to managing referring intermediaries.

Demonstrating value to the client is an age-old problem, and not just in legal – but it’s a problem that’s now become central to firms, and it’s BD’s challenge. “Value is in the eye of the person receiving it,” says Moss. “It’s perception, the difference between the price you’ve charged and the benefits that the client’s received. If those two align, you’ve charged the right price [and] it feels like the right price [to the client].”

But Moss says he thinks a much bigger challenge awaits legal business – the threat of being whipping-boys in straitened times. Lawyers may soon be seen as “the next bankers, as pariahs by the general public”.

“What are they really giving back? Are they just leeches on the capitalist system?” Law



“Law firms have to ask what they’re going to do to ensure people don’t think firms only care about making more money.”

Elliot Moss, director of BD, Mishcon de Reya

firms have to ask what they’re going to do to ensure people don’t think firms only care about making more money.”

Mishcons is, he says, developing a

“completely new, innovative and serious social impact plan”, to be announced early in 2014. It’s not a CSR thing, he says – but how much more it will be, only 2014 can show us.

This is, in essence, about brand, about popularity. Another part of that journey is to

Moss. Firms haven’t yet quite worked out what social media channels are about, he says, so they engage in a kind of barge-pole presence as opposed to going ‘digital native’.

It all points back to fear, and firms’ fear of social media reflects a lack of ability to position themselves that many firms face – and a fear of change, a fear of the new.

The commonality drawn between Moss and McLaughlin’s viewpoints is about how the ‘real world’, as McLaughlin terms it, has to be accepted as an agent of change, but it can also be exploited and pre-empted. And the real world is pressing heavily on legal HR.

Penny Newman, director of people and knowledge at Lewis Silkin, says that one of her strategic challenges is to help people “repurpose” themselves, and provide L&D support to develop the new skills that clients are now demanding.

“As a people business, the HR strategy is integral to the delivery of the firm’s goals and objectives. A lot of KM people have been talking about project management, which is a key area where HR

needs to help fee earners develop their project management skills, for example, process-mapping, or to identify that there are new roles required in the business and recruit people with the necessary skills.”

It’s not a simple case of bringing new skills in from outside legal, she says. Management must first learn how to adapt to these new ways of working, and apply the lessons to everyone in the firm – half of Lewis Silkin people are



“As a people business, the HR strategy is integral to the delivery of the firm’s goals and objectives.”

Penny Newman, director of people and knowledge,
Lewis Silkin

be “different and interesting”, says Moss, which is increasingly about engagement with a wider, social media-savvy world. “It’s the way people interact with the world now. You need to know what you want to stand for, who you want to talk to, and what you want to say.”

Rather than taking a defensive social media stance – treading gingerly on Twitter eggshells, trying to do nothing ‘wrong’ – BD leaders need to assertively own their messaging, says

business services, and they need these skills for internal change projects as much as lawyers need them for a new way of working.

As at Simmons & Simmons, training is a large part of that. Lewis Silkin has set up a ‘University of Management’ to “focus on giving business services and secretarial staff the best possible experience from their managers”. This idea has helped HR and finance managers to get to know each other, she says, and “provides a cement across those levels of business”.

A higher-level strategic goal, she says, is to ensure that HR stays aligned to the business and drives efficiency. “That’s becoming increasingly important because of the changes in the legal services market. Efficiency is a key issue for all firms and HR has a very important role to play in supporting business efficiency.

“That might be via an IT system that would enable fee earners to work more effectively, or it might be looking at how we resource work, perhaps using the paralegals more effectively. You [need to] deconstruct the process, identify the elements that are going to be carried cost-effectively by paralegals or specialists, and staff your work differently.”

Another HR challenge is the youth of today. “I’ve heard that Generation Y expect to have up to 15 jobs in their lifetime – that’s quite an eye-opener. We have to address that. In the past, people might have become a partner within six to seven years PQE, but as business models change, it may be that there isn’t an opportunity, or that the route to partnership is taking longer.”

That restructuring is a possible answer for the changing expectations of the emerging generation. As Newman says, “some people don’t want to become partners – they want to stay within the organisation but don’t necessarily find the partnership role attractive. Like many other businesses, we’re going to have to grapple with that and look at

alternatives to partnership, which other firms have called ‘of counsel’ or ‘managing associates.’”

With commoditisation and consolidation shrinking the legal market, Newman’s HR strategy devolves to repurposing talent inside the firm, enabling more flexibility for the client, developing fee earners’ business savvy, and improving the managerial experience. And as if those challenges were not enough to contend with, HR isn’t Newman’s only responsibility at Lewis Silkin.

Newman also heads up knowledge at Lewis Silkin, which is more of a ‘facilitator’ role, she says – a very HR slant on KM. This means being an enabler for each department setting its own strategic direction with the support of their KM resources, and her role is “to ensure that everybody is working in the same direction and also on any major firm projects to make sure that we organise and deliver those as a KM team.”

Newman’s firm materialises the collaborative spirit of how firms should be working in the shape of a ‘Know-How Team’, made up of people from IT, HR, library and professional support lawyers (called practice development lawyers or PDLs at Lewis Silkin). “Any project will have a Know-How Team side to it. It’s a much more effective way of working – rather than individual departments creating and implementing initiatives, we share knowledge.” The Know-How Team discusses innovation ideas every month, for example, in case other business areas can use them.

Making sure everyone is “working in the same direction” via knowledge sharing is very much **Kate Stanfield’s** world as **head of KM at CMS Cameron McKenna**. Her employer is in reality outsourcer Integreon, where she’s VP of knowledge and research, but she’s been in KM at CMS CMCK for over 20 years.

As in all law firm operations, the direction of cultural change will arrive through new thinking, integration and process – but it might be knowledge, enabled by technology, that reformats tomorrow's legal businesses.

"If you can change the culture so that the ownership is by every individual that's involved in a piece of work, that really is the future of KM," says Stanfield. "In the past, KM was something that was done to the firm. That's something I notice with my Integreon hat on, because I work across [several kinds of business, such as banks] and you can see the difference in a firm that really has that kind of culture."

The change will come in part from redefining the term 'knowledge managers' because that unwieldy yet prevalent label "doesn't fully describe what's required – 'knowledge workers' is how we tend to refer to ourselves, which describes an awful lot more. It's about knowledge sharing and best practice."

Akin to Newman's vision of being a 'knowledge facilitator', Stanfield sees herself as someone who places the 'ownership' of knowledge with the teams. "Ideally what we want is for every person within that chain to think, before they start that transaction: 'What knowledge have we got to help me start this process?'"

Knowledge and delivering legal services from it isn't, says Stanfield, just about law – "it's about every little stage, even how you pitch, how you bill, how you develop your lawyers throughout. So, for me, knowledge has really close links with HR. It's a blend of people,



"If you can change the culture so that the ownership is by every individual that's involved in a piece of work, that really is the future of KM."

Kate Stanfield, head of KM, CMS CMCK

processing and systems – and you can only be successful if you really think about what you're doing in those processes – that's understanding the whole business and what the business needs."

Stanfield shares her skills with CMS clients

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and helps with their knowledge initiatives, particularly by carrying out knowledge audits. “It’s a very symbiotic relationship in that it builds that relationship, that knowledge, which then hopefully results in more work.”



“There’s no point in introducing change with new IT systems or collaborative ways of working – stuff that looks more like consumer technology – if no one knows how to use it.”

Andrew Powell, IT director, Nabarro

“This is one of our big tasks and it’s a bit like a chicken/egg cycle. The culture won’t change until it has recognised what the benefits for the business will be, and the resources of the business aren’t fully utilised until you get the

cultural change.”

But Stanfield is mapping out a route forward. “To crack that cultural change is to look at the whole cycle within law firms, from pitch to doing the work. If you undertake it and

don’t leverage the really cost-effective people, the locations, the right systems, you could have the very expensive-level people carrying out work that can be done by a person not sitting in high-price office space in central London.”

You can’t solve this by throwing technology or people (or both) at the problem, Stanfield says – but technology will enable the knowledge sharing if the culture is there.

Nabarro’s IT director, Andrew Powell, takes a similar line on legal

technology: its power lies in enabling strategic objectives, rather than magically solving all of a firm’s woes. To make the magic happen, you need a strategy, and you need the will.

“The IT team enables what the business hopes to do, and part of that is skills training. There’s no point in introducing change with all sorts of new IT systems or

collaborative ways of working – stuff that looks more like consumer technology – if no one knows how to use it.”

Nabarro’s specific business goals (and probably those of every firm that wishes

to survive) are efficiency and productivity enhancement. That includes being able to create and cope with growth and “being able to run technology in a predictable way, all of which is key to the IT strategy. It’s just an assumption at a business strategy level”.

“The technologies we plan to implement in 2014 aren’t new – they’re already here,” says Powell. Hot-desking, for one is just not that prevalent in legal yet, says Powell – but other businesses make great use of it. “Mobility and remote access are more prevalent, and the consumer tech generally is of a standard now where people demand it. Take desktop video conferencing – it’s seen as being as good as room-based conferencing now, and arguably a better technology for collaborating on a document.”

While most IT is getting smaller, one thing is getting larger – the screen on your desk. Powell says Nabarro is moving away from laptops towards very small, very high-performance PCs – but on large monitors. People will be working on 24” displays from January onwards, he says, which should give people the ability to work on side-by-side documents, “which is what people like while drafting, because you increasingly need a giant screen to see all the information”.

Like many businesses, Nabarro’s IT team is also looking for a way out of the ‘email abyss’. It’s a sector-wide problem, says Powell. “We’ve created the ability to send so much content so quickly that as a sector we’ve built our own Frankenstein’s monster in email. We need to move on to a more collaborative world. That’s going to be big for the profession.”

It’s a combination of all the IT ideas above that will change the way people in law firms work, says Powell, which to him points a way into a further future – “a consumption-based cloud model”.

“It’s something we’re moving towards in the

next year [or so] and I wouldn’t be surprised if a lot of other firms do as well.” This will combine, he says, with matter management – the project management approach Nabarro is applying to pricing and running matters, and working in a consultative way with the clients, to “allow you to forward-plan, staff work appropriately and run the work at the right level”.

“It sounds obvious, but it’s not that commonplace yet – and is bound to gain popularity during the next year in the sector.”

With all this mobility and collaboration, however, comes also the spectre of security. “As law firms move from paper to electronic matter files, there’s a growing realisation that information security, not just the confidentiality but particularly the availability of data, is important. If IT systems go down, there isn’t a paper file to refer to.”

How will firms put their clients at ease? The ISO 27001 standard is growing in acceptance at law firms, and Powell thinks it will become “commonplace” in the sector because clients are now asking for it and they understand it better now, so they know how firms should be applying it.

For Tracey Butcher, head of legal risk for Mayer Brown in London, however, ISO standards aren’t necessarily the panacea that some might hope them to be. Meeting client needs proactively through accreditation, says Butcher, “can be one way of pushing things forward, but from a risk perspective it’s not always the best measure of benchmarking”. It does, however, “give us a more detailed discussion with the clients about what the systems are, though”, she acknowledges.

Butcher’s fee-earning years have informed the way she’s carved out her role. “You have to be approachable. It’s absolutely fundamental

to the success of a risk team that you're not seen as the people who always say 'no', but as the people who take a practical approach. When I was a fee earner I probably disliked some risk management-type processes. So I'm pretty well aligned with their thoughts. Looking for practical solutions for people is really important – that's what gets people to talk to you, if they know you're going to be open-minded and realistic and practical."

In much the same way that Stanfield at CMS CMCK sees firms binding knowledge into every role in the firm, Butcher says thinking about risk must be embedded at every point. "Risk management is not the function of the risk management team alone – it's a function of everyone in the firm, all the time."

Legal's move into the cloud (to whatever extent) is a serious risk discussion, says Butcher. "Information security remains an issue for firms, particularly in terms of new technology [like cloud], which comes at a time when clients are paying increasing attention to how their data is stored, secured and protected."

It's this client-led thinking that defines good risk management, says Butcher and it can lead to innovation. "Good risk management is completely aligned with client service

standards, because most of the time it's just about sensible things – giving the client sufficient information so they can make decisions about their matter."

Risk at an international firm like Mayer



"Risk management is not the function of the risk management team alone – it's a function of everyone in the firm, all the time."

Tracey Butcher, head of legal risk, Mayer Brown in London

Brown presents intricacies that have become increasingly relevant to the market's leaders. "It demonstrates the difficulty of finding solutions for these issues, which work globally but also allow individual regions to comply with their own rules and regulations. It's about meshing together how you form a policy which



manages to comply with lots of different sets of professional conduct rules, or different sets of anti-money laundering laws, or consent laws. It's a continual challenge."

Risk management is also about recognising what the firm is strategically trying to achieve, she says. "Everything you do is so commercially connected with the firm – you're always looking for ways in which you can improve." The keyword therefore is integration, crossing risk into all disciplines until it settles in the consciousness, because "risk management is increasingly like an octopus – it has tentacles everywhere".

HR, therefore, is a key partner to risk in tomorrow's more joined-up legal business. "HR managers know best where the risks are and they have their own specialists in their area. The important thing is to have an on-going dialogue."

A wider dialogue with a more involved firm is now essential under the umbrella of outcomes-focused regulation. "The challenge of OFR has been the internal reporting requirements that you need to put in place to comply with recording all breaches. If no one tells you where the problems are, you can't

really manage the risk. Everyone [in the sector] has struggled with putting systems in place that capture that level of information. All firms probably feel that there is still more work to be done."

But, she says, OFR "does focus on the outcome for the client" – and therefore if good risk management should always devolve to client needs, perhaps OFR is part of the 'right' future for legal risk. As Butcher rightly says: "If we can't deliver client satisfaction, we shouldn't really be in the business."

Mapping the new legal genome is about becoming more focused on what clients, not firms, or their partners, want – and that means joining up every part of the firm to deliver consistency, value and efficiency, in 2014 and beyond. Our six People issue leaders are in the forefront of this journey, but they're not alone. You, and everyone in your firm, are with them. ●

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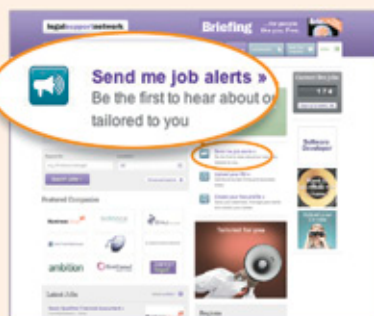
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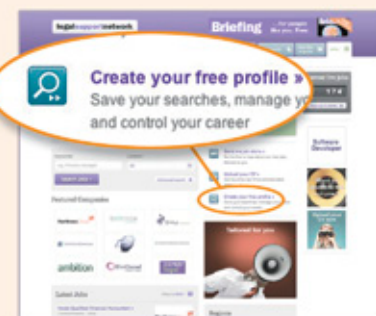
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Towards tomorrow's firms

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Briefing Sponsor Interview:

Integrated intelligence

Elisabet Hardy, Eric Sugden and Allison Guidette, leaders at **Thomson Reuters Elite**, talk to **Briefing** about why one of the biggest legal software companies is integrating its people and its products to create a joined-up future for legal businesses of tomorrow – mobile, data-driven and better developed

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Towards tomorrow's firms

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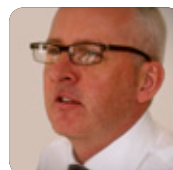
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A photograph of three people standing outdoors. On the left is a woman with blonde hair, wearing a grey jacket and a gold chain necklace. In the center is a man with grey hair, wearing a blue and white checkered shirt under a dark jacket. On the right is a woman with brown hair, wearing a dark blue jacket and a patterned scarf. They are standing in front of a bridge and city buildings.

Briefing Industry Interview

Integrated intelligence

You know of Thomson Reuters Elite, but you might not know Eric Sugden, Elisabet Hardy and Allison Guidette (left to right). You will – they're at the spearhead of Elite's journey into a more integrated future.

Guidette, managing director of the large law firms segment at Thomson Reuters, is now leading Elite and has an eye to a future filled with constant change for tomorrow's firms. The legal industry has been in massive flux since 2009, she says, and the key challenges firms now face are threefold: client pressure on cost, technology pressure to be more efficient, and market pressure to be much more competitive. But how to turn that pressure into potential?



“It’s a low- to no-growth environment, at least with traditional legal services, and some of that work is going to other types of providers – so business development is critical because growth lies in taking business from other firms,” says Guidette. “You need to be the best communicator of value and you need to be able to deliver against that value. You also need to have better intelligence on clients and prospects than the firm across the street – because everybody’s going for the same opportunities.”

Companies like Elite have to look in the mirror to understand where they fit into the answers to those challenges, says Guidette. Legal businesses face challenges internally as well as externally, mainly around integration – IT that doesn’t talk across systems and departments, or geographies, or to outside parties, for example. “There’s not enough sharing of information,” says Guidette. “Something that’s very important to us is to bridge that gap and use technology to surface information that’s irrelevant so firms know how they’re being driven – whether they’re gaining and attracting profitable business – and can overlay different information streams alongside each other in parallel.”

Guidette has spent a lot of time talking to clients about the importance of looking at BD and marketing information alongside financial data – or trying to.

“Today, there’s no easy way for a lawyer to identify before they visit a client what kind of work the firm can potentially help them with, or if the firm has genuinely profitable business with that client – overlaying and seeing marketing information against, for example, outstanding bills, accounts receivable balances. That’s where our work is going: connecting those dots and making sure the information they get is actionable.”

Eric Sugden, Elite's chief technology officer, is the man at the sharp end of coming up with the 'how' behind Guidette's 'why now'. Elite is focused on providing solutions that integrate all the areas of a firm together and provide them in one place, he says. "If we provide a holistic solution, they'll enjoy working with Thomson Reuters better. That's part of what we've been working on for the last year: an overarching integration that lets you bring together Elite and other Thomson Reuters products and content – and third-party content and even custom solutions that you build in-house."

A major challenge now to companies like Elite is to make it possible to present the information resulting from this integration in a more platform-agnostic way, because firms now have many ways to deliver information to people – laptops, tablets, smartphones and so on.

"One of the key areas we've been developing is mobile, delivering content in a fashion that is easy to use, in apps that look the same whatever device they're on, so lawyers can have the information they need, when they need it, in an easy-to-use interface."

Integration has also been a theme inside Elite, with several high-profile purchases of software companies, such as MatterSphere creator FWBS. The drive behind Elite's technology innovation has been, says Guidette, products that will pull all of a firm's information together. Elite now also provides a range of cutting-edge technologies under one roof – which should make adjusting to the pace of change easier for law firms.

"The legal industry as a whole hasn't been quick to adopt cutting-edge ways of leveraging technology. Now they're being required to do that by their clients and by the market," says Guidette. "The pace of change is going to continue to accelerate, so one of the reasons

we have to integrate our solutions is to make it easier for lawyers and the back office to easily get from solution to solution without having to think too much about where they are – to create more interesting answers and data.

"We also need to be a more open platform for the legal industry at large to connect to. Elite is way ahead of most of the other businesses in being open to working with our partner [vendors] and we're working to be more open to putting products together on platforms, and not expecting firms to just take our platform lock, stock and barrel. We also need to interplay with solutions like SharePoint that are prevalent in UK and EMEA firms."

This is going to present a very different face of Elite to clients, says vice president of product management Elisabet Hardy, so it's important to keep as much of the existing solution base as intuitive as possible. "If we are to integrate our workflow across products, for example, it would be unreasonable to expect clients to rebuild workflows they have spent years building up. So we have to help clients get this information from an integrated solution by bridging the integration gap for them, embedding an overall umbrella workflow that existing workflows can hook into, and making sure that our underlying technology shares information without the firm spending months changing things.

"We need to have more standardised ways of taking advantage of application features, easier ways for you to get upgraded to new versions and take advantage of future applications, and make our products really easy to understand. Usability is a topic I'm passionate about – people do not have the patience for training, so we have to make it very easy for them to understand how to use our products to do their jobs in the future."

This talk of integration and sharing leads one naturally to talk about 'cloud' – a

misnomer, mostly, but relevant because Elite users should in the end not need to care which device is consuming data, where, or how.

Sugden says Elite is “moving into the cloud, but we realise there are a lot of pressures against it”. Cost is a big driver pushing applications and information away from a firm’s premises, he says, but “it’s much easier to share that data between applications [in the cloud], because it’s in a central repository”.

“Thomson Reuters is building more cloud apps on a common cloud platform, and we’re taking advantage of that in our future product development efforts in Elite. We have several new cloud applications releasing over the next few years”.

Cloud’s biggest weakness is jurisdictional and privacy/security-related. Guidette says “data security matters an enormous amount”, so Elite will use the same Thomson Reuters data centres hosting its public records information, US/UK Westlaw content and much else. “But we completely understand that our UK clients expect and demand that they have data centres outside the US, and that is very much the plan.” Sugden says Elite already has a UK-based data centre “and we’re planning to open more centres over the next few years in regions such as Asia-Pacific”.

One of the reasons we wanted to speak to an Elite team for this People issue is because Elite’s making IT that integrates law firms – it’s integrating its new purchase and its software, and it’s becoming more like a team to look at.

Guidette says she feels the business has made “tremendous progress in the last 18 months, bringing the large and medium law

firm-focused businesses together under one umbrella, and the relationships that have been built are substantial ones, and are allowing us to think more holistically about how our products and services work together for clients”.

It’s a sea change inside a very large company – breaking down internal silos, as Guidette puts it, to ensure Elite can provide “the right services to clients”. This is, she says, core to

“Thomson Reuters is building more cloud apps on a common cloud platform, and we’re taking advantage of that in our future product development efforts in Elite. We have several new cloud applications releasing over the next few years.”

Eric Sugden, CTO, Thomson Reuters Elite

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A close-up portrait of Vin Murria, a woman with dark, wavy hair, smiling slightly. She is wearing a pearl earring and a pearl necklace. She is wearing a red and white patterned jacket. The background is a blurred city street.

Briefing Industry Interview

Advanced analysis

Advanced Legal's leader Vin Murria talks market consolidation, business strategy, 'leapfrogging' ahead of the competition – and the ample opportunities in tomorrow's market

The competition for some of today's top 100 firms will come not with their revenue peers – it will come from those currently outside the top 100. Consolidation will drive them into competition with firms once seen as far outside their league – and technology will enable them to go toe to toe with their top 100 cousins.

Vin Murria knows a lot about consolidation. She took a collection of legal IT firms, bound them up and turned them, in the end, into Iris Legal. After that, she left legal and concentrated on areas like healthcare, with Advanced Computer Software Group (ACS). Now she's back – ACS took Iris Legal over and turned it into Advanced Legal, with a new

vision to help firms (mainly outside the top 100) become as capable as any firm in the land.

“The legal market is moving towards a general business strategy rather than a niche-focused strategy,” says Murria. “Technology is an enabler for that, helping to transition the market to being more consumer-facing, whether that’s through process, online and so on.

“I think we’ll see a lot more consolidation in the market – the only question is: who does it? There may be new entrants and external parties such as private equity firms or others that want to acquire legal practices, so legal businesses are going to have to become significantly more focused on the business and efficiencies, understand where they can make improvements, where their cost/benefit lies and how they can use technology to help them get there.”

This vision goes far beyond case and practice management, says Murria. “It’s about analytics and understanding the financial element of the business more aggressively. To become more business-like, firms need analysis about themselves, their part of the market and to benchmark their performance against others.” This information drives competitiveness, but it also helps firms identify merger targets (and threats).

“I’m not saying that the legal market is going to be completely challenged – I am saying that there will be a nibbling away at the edges of the market overall, and you only have to affect a legal business by 10-15% to have a major effect on its profitability.”

Firms in the second hundred will be much bigger businesses in just a few years’ time – so how they game up, in terms of practice and technology, will also be noteworthy. Many firms outside the top 100 can make easy efficiency wins, says Murria, because they’ve lagged the larger firms – and they can be more agile, and

find it easier (when they make the decision) to take on the newest ideas and technology. This ‘leapfrogging’ is a genuine threat to some larger firms.

But whether your firm is top 100 or not, Murria says the most important trends in legal IT over the next 18-24 months are not new technologies – but that they are generally barely or under-used in legal. Workflow, managed services and hosting, and customer relationship management, are all examples, of technologies that are and have been around a long time, but there is still a step change waiting to happen in most firms.

“Advanced Legal is one of the only organisations in the legal market where there is truly a one-stop shop service available to legal clients for a broad range of offerings, whether this is for mission critical managed services and hosting facilities or SharePoint, mobile and CRM, or products that can be offered as ‘firm-wide’ solutions,” Murria says, which is why she sees a bright future in legal for Advanced Legal.

Hosting integrated solutions, CRM, workflows, mobile, financials and reporting are the kinds of solutions that other business have been using for many years, and we have already built those technologies and platforms [at ACS] and these are readily available now for the legal market.

Murria is full of energy for legal, and she says she’s delighted to be back in the sector. “The people in the business, when we bought it back, described it as ‘coming home’. And that’s exactly how it felt. I’m sure we will ruffle a few feathers, but our plan is to provide a long-term, secure, growing future for the legal market.”

Find out more about
Advanced Legal
www.advanced-legal.co.uk



A close-up portrait of Carol Mynott, a woman with curly reddish-brown hair and glasses, smiling and looking off-camera to the right. She is wearing a light-colored blazer.

Briefing Industry Interview

Global perspectives

PwC director Carol Mynott on global mobility in tomorrow's international firms, and finding buy-in for the big changes ahead

Carol Mynott, a PwC director whose remit is global mobility, says there might be many budding factors at play in the legal sector right now that could change the very nature of who works in law firms, and what a legal career will look like.

According to PwC's 2013 survey, publishing this November, law firms are focusing on excess capacity in the UK and what to do about it – for which Mynott has an interesting answer. “Many firms are trying to grow internationally, so why don't we connect those issues? Can we share some excess [home] capacity by servicing another location from

London, or do we need to send some of our really talented people on location – and are they equipped to do that?”

Firms, unfortunately, aren't great at discovering the where and why of excess capacity, for a variety of reasons. Even if they did it, they'd have to work out who could relocate and then equip them to be adaptable and mobile in a general sense, she says.

Internally PwC, says Mynott, seeks out people who want to have international experience. “If we ask someone to go on an assignment, it's for their personal development. In legal there isn't this expectation, or if there

is it doesn't persist." Part of the problem, she says, is that in legal you often have to follow the partner you work with in your location – international secondment or overseas working jeopardises your progression.

The impact? Your best people don't go out into the world, spreading the firm's best message. To correct this, you have to change an awful lot of the way the firm works, says Mynott, fundamentally altering the development goals and career paths for people. "It's a constant drive to be a high-performing culture, underpinned by personal development rather than just a focus on business development."

This shift towards career paths and away from the equity goal will play a big part in this, and it's a journey consulting businesses have already taken. "The role of a partner [in a law firm] has been predominantly technical – but they need to be more proactive and able to develop relationships, win clients, and have an international perspective, because clients are becoming more and more international."

And there will be fewer 'real' partners in the future, she says. Firms cannot afford to have significantly more partners unless they are outside the UK, driving growth of the business. Plus, client loyalty to specific partners is falling away, to be replaced by a more procurement-led approach. "Firms therefore need to think very carefully about whether they're going to compete in a specific area, distinguish themselves by being in a market niche, being known for not competing on cost or being purely about quality, for example." That last will drive a firm with higher partners – but many will not.

The introduction of procurement into the legal buying equation is redrawing how partners and client account/BD people interact with clients. It will also redraw the structure of firms, she says, but not to become completely

corporate. Even PwC, she says, is "a mixture of the two" – you need to retain the drive for consensus, but you also need an executive with more power than currently exists in most legal businesses.

All of this has to be 'sold' to the people who work in a law firm. This is doubly important for the growing number of international law firms, which will need global perspective. Mynott says this has led to an increasing focus on engagement inside firms "because there is a very clear link between a very highly engaged workforce and client advocacy, which then leads to increased revenue and increased profitability".

"The challenge is how you do that in a global environment, because you may have a small office in a location that feels removed and distant from the centre."

A key way to approach this, she says, is to focus on equalising the client experience, not just the partner/personnel experience. "If the client needs help in the UK and Thailand, you need to make sure that Thailand's business gives the same experience as the UK does."

That's an approach to the globalisation of legal business that needs to catch on, and the reason is obvious: clients are international; the growth lies abroad; so don't think introspectively.

This itself might completely change the partner of the future, says Mynott: "When someone's going through the partner promotion process, are we going to test whether they've had some global and international experience? Is that going to be a requirement for someone to be a partner or business manager?"

Learn more about
PwC and its consulting work with firms
www.pwc.co.uk/lawfirms



A portrait of Andrea Williams, a woman with long brown hair, wearing a dark blazer over a white shirt and a striped tie. She is smiling slightly and looking towards the camera. The background is a blurred architectural structure with repeating arches.

Briefing Industry Interview

Smarter moves

Andrea Williams from Ambition speaks about sourcing the talent for tomorrow's law firms as market demands reshape old designs

Law firms are, above all, people businesses. Recruiters have an intimate understanding of the soft underbelly of law – the people they need, and the people they actually hire. Andrea Williams, MD of recruitment firm Ambition, says firms need a new kind of people for a new kind of commercial era.

“The challenges legal businesses are facing centre on the changing nature of the client relationship and how the partners deal – or don’t deal – with that. So the kind of the people they need to employ to develop those relationships, to do the BD and the marketing activities to bring them into the 21st century, needs to change.

“One of the biggest challenges is that firms want legal experience, but all the skills and capabilities we’re talking about are new to them – but it’s fairly common in other service industries. So, unless you go outside legal to bring this talent in, you’ve got a Catch-22 situation – those people sometimes don’t exist in legal.”

There appears to be movement, depending on which role area we’re talking about, towards hiring from outside legal, but it’s generally only from other professional services. Williams agrees: “If you can’t find these people in legal, you can find them in accountancy and financial services – the leap isn’t quite as drastic as other

industries. Financial services is a particularly rich seam to mine, because they've had to do a lot of work within the digital world and on measurement.

"The use of data in their business and in costings is a major part of the job in financial services and has been for years, so they're way ahead of the curve. And the accounting firms also are well used to thinking in terms of using data to run work.

"Law firms are catching up, and they're desperate to get there, but they are behind the curve on using much more management information to help them and their firm make decisions."

What kind of roles do firms need that they don't already have? "There's a definite skills gap in firms in the digital marketing and social media area. There's been a reticence in law firms generally to put themselves out there on social media and to use it to their best advantage – and I think people with skills and experience in driving business growth using social media are needed.

"Other skill sets firms need include project management – that's something we keep hearing about. More and more people are needed to drive legal businesses through project-type initiatives – as well as the client relationship management side of things, plus knowledge management generally. Data analytics skills are also going to be very important."

In a way, firms are looking for a hybrid – a geek who's data literate or finance literate but can also be client facing, has BD and marketing skills. And they need people who are all-rounders, because they have to bridge between finance, marketing, BD and the lawyers. "Those relationships are getting closer because of the use of data to drive business growth," says Williams. This is echoed in the movement in many firms towards team-based working and

away from practice-focused thinking, says Williams.

"Now there's more collaboration in law firms, about how they can get more out of clients, introducing other people to clients, expanding the touchpoints within the firm. It's all being driven from the need to be much more commercial about how they price their business and stay profitable. Profit used to be something that partners forgot about, whereas now it has been brought right to the front of the agenda. All the analytics bring that information together so that partners can understand which is profitable work, and which isn't."

As a recruiter, the role people like Williams touch most is HR. The challenges facing the people leaders in legal, she says, lie in talent management and finding this "new breed of people who are open to the new ways of working and the increased commercialisation of firms". And, she says, the lie in a future that sees a return of the 'battle for talent' that many firms say has been replaced in today's economic climate by many more pressing problems and a glut of lawyers.

"I think that's already starting to show, because recruitment volumes are going up, and as market conditions continue to improve clients get busier, and people get harder and harder to find. I think you will find over the next 12-24 months that HR functions will find it again difficult to attract good talent because everybody wants them. It's getting busy again."

Which is good news for recruits, recruiters and law firms alike.

Read more about
Ambition
www.ambition.co.uk





Briefing Industry Interview

Window of opportunity

Tom Wood of Barclays discusses how firms can gain from unfamiliar market conditions, the benefits of an external perspective, and the need for a much more commercial outlook in every firm

Tom Wood has been at Barclays for seven years (a turbulent and change-filled time in banking) and has watched the legal market change and be changed. He's now head of professional services for corporate banking and, he says, there is much more change ahead – but there is also great opportunity.

“The UK legal sector is world-leading and will continue to be so. But it's changing, and people need to embrace that.” Legal's never been a fast mover, says Wood, “nor does it necessarily need to be”, and change will be, in the round, more evolution than revolution – many of this year's challenges will be next year's.

“Consolidation has been a theme of 2013 and I expect it to continue into 2014. Firms are looking for increased market share or geographic coverage or even just reducing the costs of sale, and the two key focus areas for law firms in 2014 will be to grow the top line and/or reduce costs and/or increase efficiency.

“Consolidation can do both of those – it can grow the top line and it can also deliver increased efficiency and reduced costs.”

New entrants are continuing to grow, adds Wood, which creates opportunities and competition for existing players. “New entrants are coming in many guises and some of the models are very innovative. We've

seen effective start-ups which are now 12, 18 months in and beginning to take market share – albeit small initially – and make a difference.”

We’ll also see more international firms coming into the UK, says Wood, from consumer-focused US legal businesses like Rocket Lawyer – “new entrants focusing on online or remote client activity” – to businesses “competing on a head-to-head basis with UK firms”. These businesses have another edge, too, he says: “They have some advantages in that some of them are coming at this with a blank sheet of paper approach, and they can start with a lower cost base than a traditional firm.”

But, he says, traditional law firms have client contacts, the technical skill and they have reputation on their side, “so traditional firms that are well run will continue to grow their business”.

This is an expanding marketplace (though not necessarily a growth market), but one in which expectations of the client – whether business or individuals – rise ever higher, says Wood. “Therefore innovation is required, both in terms of pricing and delivery of legal work, and some firms are coming up with pretty unique ways of doing that.”

Inside some firms, he says, there’s been a big shift towards more focus on client management and sales skills development – towards BD, essentially, and the areas that connect to it – and there’s also been a shift in the way work is delivered.

The last two years have seen significant changes in where geographically law firms put and find resources, north-shoring and so on, and outsourcing legal and non-core work. “The economies of scale of using lawyers in parts of the country other than London makes sense, and again it ties into what the client’s looking for, which is the same quality of legal work but at a lower cost – something that’s

also increasingly important when new entrants have set a model up which allows them to do that from day one.”

All this change will have an impact on the kind of people legal businesses need, says Wood, including finding more experience from outside legal businesses.

“Fresh eyes on the sector are a very strong complement to a strong leadership team. The best firms are where you have an individual who knows the way a legal business is run and the history of it, complemented by a fresh approach to the industry – whether that be a CFO or a CEO or even a COO.

“Firms are looking for more from their leadership in terms of commerciality and understanding those areas of differentiation and economies of scale. Commerciality needs to run through the whole firm, and it needs to be created from the top.”

Helping develop and nurture this kind of commercial thinking is a role that Wood says law firm banking partners want to play – they want to help law firms do well and to help them raise their commercial game. Some say that the generation of a more ‘C-suite culture’ in legal is a partial answer to this. Wood stands on the fence about that but, he says, there’s an easier route to pulling in commercial thinking for firms big and small – such as non-exec directors. This is already happening, says Wood, which is a positive sign.

Next year will be challenging – but it also holds great promise for those able to rise to the challenges.

Read more about
Barclays Professional Services
bit.ly/barclaysps





Briefing Industry Interview

Recruiting for tomorrow

Richard Essex at Broadbean on recruiting the next generation of legal business people, and a more integrated approach to finding your law firm's leaders and lawyers

If the battle for talent is, whisper it, making a slight return to legal (yes, brace yourselves), it's making a comeback in a more social-savvy, fractured and noisy online world than last we saw it.

Today's young lawyers and business services people are very different to those of just five years ago, says Richard Essex, corporate sales director at Broadbean Technology. "The way firms attract talent now encompasses the internet, word of mouth, mobile [etc]. All the ways people now interact can define what

makes your firm interesting to Generations Y and X, who have different expectations to someone of my generation."

The primary way firms now find talent is, of course, online, and even that's moved on again to be ever more mobile. But the internet isn't taking over how recruitment is done, says Essex, despite appearances – legal is much more cautious than, say, the IT industry. But social media has had a huge impact on recruitment. "Social media is an absolute no-brainer way to represent your company

and your vacancies. At Broadbean we have an incredible cross-section of different types of companies that use us, and legal potentially is still wary of social media – but many of them are taking a lead and getting their firms and their jobs out there. We're seeing a big increase in the acceptance of social media as a viable recruitment tool, not just a recruitment marketing channel but places that candidates are applying and being hired from."

The challenge HR people face in this social world is that it's fractured. You have to be present in a host of online places and platforms. It's a noisy multiplicity of information sources, and finding great people in this environment is hard.

Broadbean's USP is that it sits 'above' all these channels and services and can pull and push information to and from them, says Essex, so it's well placed to help with that problem. Services like Broadbean are probably one of the only ways to get a recruitment view across many online platforms. Those firms that are particularly successful, says Essex, are those "very deliberately targeting Generation Y" because these are their channels.

After that, it's a question of differentiation. "A lot of that comes down to just who's doing something interesting. You can't rely on a brand name – biggest doesn't always mean best, and I think candidates are just getting more savvy about that. There's a lot of information out there about your firm, and they will find it out. The upside is that they'll also find out good things, when people share those experiences."

International firms can make the most of the global nature of social networks and the internet. "One of Broadbean's biggest clients, present in 100 countries worldwide, is now able to manage all their recruitment online. It's 100% direct sourcing and it's managed from the UK. The things to watch are when you're not

thinking locally for any particular market. You have to be global but think local."

Candidates behave in different ways in different places – you can't use one job board everywhere. An example of how different the world can be, says Essex, lies in China. "We've got one very large client who's looking to do a lot of growth in China, and candidates who have registered and put their CV on a Chinese job board culturally feel they have applied. Whereas in the UK, you register with a job board and then when it comes to each job I then go and apply to that company directly." So cultural differences need to be understood – otherwise, for example, you won't get any applications from China despite having loads of sign-ups.

"The question is: to what extent is it possible to make recruitment truly global unless you have serious resources behind you and the right people in place?"

One way the digital world is solving this is to produce profiles of candidates based on their activities across a range of social media channels. "It's fascinating and scary because a lot of people will discover, or realise, that their digital footprint is out there," says Essex. This is a far cry from firms getting stuck for looking on a candidate's Facebook – it's turning your social media presence into an alter-CV.

"It's a very interesting time in recruitment," he says. "There's now the power to find out where and through which channel every recruit has found you and applied, and to know an awful lot about the people applying without them ever saying anything to you. That's a lot of useful information, and it can drive a firm's recruitment strategy like never before."

Want to know more?

Broadbean

bit.ly/broadbeancr





Briefing Industry Interview

Motivation management

**Dee Caporali at Access on
managing tomorrow's people, and
creating careers in legal – not just
paths to possible partnership**

Dee Caporali's company, Access, provides HR software. She works with all kinds of businesses – so she's seen many variants of what it will, most likely, be like to work in law in years to come.

Legal businesses of the future will not be the pyramid-layered, equity-incentivised models they are now. Firms face a very changed environment, and many are responding by taking a much more commercial approach – which is presenting HR departments with a need to shift focus towards the different roles or kinds of people their firms will need in the

near future, says Caporali. "This applies both to recruiting and training, such as business development – there seem to be more BD jobs on some legal support websites than any other role, which goes to show that people are aware of this issue and are investing in that area. That's not unique to legal – it's right across professional services."

The legal sector is picking up again, she says, and it's turning to businesses like Access because the growth is international and outside normal areas, so firms need technology to underpin that growth.

“Clients use our online recruitment technology, for example, to provide candidates with a good initial experience of the firm from the outset – they can find out about the firm, about its ethos and easily apply online.” The way recruitment happens has also changed, she says, to a lot more online recruitment. “That’s why we’ve updated our software to connect to LinkedIn, vacancies can be posted there and candidates can just download their profile information to populate their application with that data – all of which is available to recruiting managers and HR in the HR system.”

Social media also needs to be seen in the longer term, says Caporali, as it’s part of everyday life for ‘Generation C’. People want to connect and employers can encourage this by communicating with those people ‘in the pipeline’ who might not be joining the firm for two years, as well as newbies in the firm, to get an idea of what’s required of them and what to expect. It also creates engagement, driving loyalty before people have arrived – and helping them fit in when they do.

Caporali and the Access team are also seeing a rise in the use of talent assessments and pools – identifying people in other firms to recruit, either now or in the future, and keeping in contact with those people.

A wider challenge facing HR people and firms at large is the shift away from the partnership incentive to younger fee earners. Firms of the future might be limited or public companies, for example, or their partnerships might be very limited to a handful of people. How do we incentivise them then?

“Look to the commercial sector,” says Caporali, “because those businesses also need to motivate people and provide a range of incentives that are not equity-based. There are a number of benefits to working in more commercially focused organisations. You could argue that there are more diverse career

opportunities, especially if the firm is looking to diversify into other areas. Just look at Irwin Mitchell, for example – anyone coming into an organisation like that will have a wealth of potential opportunities in terms of their career path. Astute legal HR directors are focusing on that concept of a career path for people, rather than an equity path.”

Access’s clients that are doing this are pushing forward with technology to underpin the shift to careers not equity, she says. “You need to track someone’s progress or be able to quickly and easily see for yourself, as an individual, what your career path options could be. If you don’t enable this, the person eventually gets disenfranchised and will consider leaving.”

Even this challenge can be faced using techniques such as a ‘flight risk assessment’, she says, which is driven by feeding all sorts of review and HR information on someone into a “central, single view” of people data to track patterns and trends – and stepping in early to offer something better or different.

In simpler terms, shifting to a more career-focused view is also about offering more flexible benefits, discounts on shopping and so on, as well as flexible working (things that HR technology like Access’s facilitates). “Firms need to think in the way that commercial firms have been for a number of years.”

Some are already there – as evinced, says Caporali, by the rising number of firms recruiting people both at HR director and at COO level from outside the legal sector. After all, she says, bringing in experience from the corporate world will help everyone in legal with their new, corporate goals.

Learn more about
Access
bit.ly/accesshr





Briefing Industry Interview

Connecting the future

Tim Springham at BT Tikit on a more virtual future for people working in legal, and a world of cheap, ubiquitous connectivity

Tim Springham, BT Tikit's CEO, comes to the legal market with a technical eye but also one trained for well over a decade by one of the world's leading consulting firms – PwC (and Coopers and Lybrand, as was). So he knows professional services, and his 10 years in BT give him IT chops.

He's in a great position to peer into the future of legal – and, he says, it won't follow exactly the same line as accounting did. "Individual skill plays a far higher role in legal than they do in audit, where process counts for far more," he says. Economies of scale can be

had in legal from IT and automation, especially in high-volume/low-complexity work, he says, but at **Briefing's** end of the market there won't be the consolidation to four big firms that happened in accounting.

There will be continued significant consolidation, he adds, so legal will end up somewhere along the road to where accounting firms have gone. Consolidation is being driven by pressures we know about: a mismatch between supply and demand and shrinking global economies pressurising clients to become very cost conscious. But "governments

will continue to add ever more legislation and regulation, and economies will add ever more complexity”, he says. There will be more work – the question is who will be doing it.

This doesn’t alter the fact that corporates have changed how they buy legal work, with a trend towards procurement, which will introduce more competition and price pressure, he says. But big firms will still be able to trade on their brand and reputation – what Springham calls ‘the McKinsey factor’ – which takes them out of price competition. This will drive another kind of consolidation – towards the strongest brands. But if “firms want to be the biggest, and if that’s the drive, things can end in tears”, he says.

Technology will play a key role in producing the economies that all firms need. “We’re at the start of a transition in the nature of provision of technology solutions in law, and I think some firms could end up with a much lower IT cost base.” Springham calls it “hosted virtual desktop environment” – outsourcing almost everything ‘basic’ about a firm’s IT, software and hardware, to another business.

IT systems are bigger and more complex now than ever, and law firms as businesses are required, by the SRA and clients alike, to have more resilience and security in place. Why wouldn’t you shift to a model whereby a specialist with better security, availability and service levels than a law firm looks after the infrastructure? Why, for example, fill terrifically expensive City of London floor space with computing?

Connectivity is now so much cheaper than it was even five years ago, says Springham, that the ‘networked firm’ is attainable – and it’s relatively cheap. And, as people shift their working patterns to working remotely and at home and using mobile devices, firms are relying on the wider world’s IT rather than their own, says Springham. Plus, clients are

taking a similar journey.

“IT directors are seeing a move away from self-provided computing infrastructure, with IT and storage provided as a service where the customer never owns any part of the hardware equation, from boxes to air conditioning to physical security.” Security is big deal for law firms, though some don’t see that yet. Physically compromising or breaking into a firm is relatively easy for those who are determined – whereas, Springham says, “try breaking into a tier-one data centre”.

A few BT Tikit clients require major upgrades to their IT infrastructure (this kind of move is only truly worthwhile when a firm needs to update or upgrade anyway, he says), and are actively exploring moving to this hosted virtual desktop environment, ‘renting’ desktops as service. Springham says “they will go from having an old, unreliable, poorly performing IT environment to having leading-edge IT – and over three years it will cost them no more than if they stayed on their current infrastructure”.

This future, says Springham, was a big driver for BT’s buy-out of Tikit – BT will be the large-scale infrastructural backbone to Tikit’s venture into this world. “Now we can, as a single provider and a FTSE 20 company with a huge balance sheet and stability, offer a law firm applications, hosted virtual desktop and global network, assured by end-user SLAs. That’s completely unique in the market. Plus BT is investing hugely in Tikit, from Template Management to a million-pound re-development of Carpe Diem.”

Seizing the day? It certainly sounds like it.

Find out more about
BT Tikit
www.tikit.com



Briefing Industry Interview

Power in numbers

Dan Wales at BIPB Legal looks into a future where law firms mine information about everything they do

Dan Wales, legal business manager for BIPB Legal, wants to turn all your information into pictures – because that’s what we understand, and what we understand can be turned into action.

In many ways this issue of **Briefing** is about creating more ‘joined-up’ firms, but that has to start somewhere – somewhere more metaphysical. “Firms hold a lot of information, but departments don’t share it internally as much as they should. Finance doesn’t talk to marketing, marketing doesn’t talk to HR, and so on. So when it comes to pitching and talking

to clients, a firm will have one set of statistics from one area and another area’s view will be completely different. That’s just not a coherent way to go about business,” says Wales.

“One of the key things we’ll be looking at over the next few years is master data management – moving the information from those repositories into a firm-wide repository. Then we need to present it in a better way.”

The big challenge is where data comes from and its nature – that determines its usefulness. Wales says he sees the world of law firm information in three divisions:

unstructured data, structured data and data in context. When it comes to structured data, says Wales, “law firms are only just starting to embrace intelligence on it”. But mining the knowledge, the business intelligence, of data in context and unstructured data (stuff that’s floating about or hasn’t been set up for reporting and measurement; or information that could benefit from being contextualised) could be a huge potential benefit to firms, he says. ‘Context intelligence’ can help people find information, knowledge, about a client or a matter or a person in the firm without the route to that information having been set up in advance, or without even some of the key data being available.

This informational blurring also blurs the lines between finance, finance systems, knowledge and marketing/BD, says Wales. “The majority of the projects will either start from a financial or CRM perspective, but we’re trying to change that. Business intelligence spans the business – knowledge management, HR and so on. Wherever there is information, regardless of whether it’s numerical or it’s text, you can present that information in a meaningful, visual way.”

Wales wants us to see this presenting of everything as ‘data-driven discovery’, rather than business intelligence, because “regardless of what type of information it is, you’re discovering the information you’ve got that’s going to enable you to make business critical decisions. That’s the bit that’s missing”.

“We’re trying to streamline this and bring it to a single repository so you can look at a client not only through a financial lens but also everything they’ve done recently, all recent transactions and interactions within the KM system, key contact points – it becomes a complete life story for any query. It’s really not as difficult to do this now – it’s a far cry from the pain of data warehousing.”

Visual presentation of data will become a far more prevalent way to understand data in 2014, says Wales. This is, it seems, highly likely to be true – just look at the now almost ubiquitous use of infographics to present almost any information, for example, to see how much more useful people find it. Here’s another example: most practice and case management providers have created and are expanding significantly their use of ‘dashboards’ to visually present data to users.

“The mind recognises visual indicators a lot quicker than it does reams and reams of numbers. There’s now so much information about that if you have it in a spreadsheet or a linear format, it’s going to take you a long time to root out the information that you need. Visually, the answer’s staring you in the face.”

This change, says Wales, is going to match many firms’ journeys to becoming much more corporate, both in outlook and structure. “Firms now want to manage like a corporate does, with proper profitability analysis and internal management hierarchy. We’re also seeing people coming into legal with corporate experience and familiarity with corporate toolsets, business intelligence being one of them.”

Getting all the information across the firm joined up is, now, easier than it ever was, says Wales, and it’s going to be essential for growing and merging firms – so, the majority of the top 100 over the next few years, then. “Firms are just starting to appreciate the benefits that business intelligence and visual data discovery can bring to them, but the challenge is turning that vision into a usable reality.”

Find out more about
BIPB Legal
bit.ly/bipblegal



A portrait of Lorraine Barnet, a woman with blonde hair, smiling. She is wearing a dark top and a necklace. The background is a blurred outdoor setting with greenery and a stone wall.

Briefing Industry Interview

Making it happen

Lorraine Barnet at Mitie describes an easier and more condensed world for law firms that will save them money and help them deliver services more cheaply – and more efficiently

People have been calling law firms ‘document factories’ for so long it’s almost impossible to think about how they will change the way they work. It’s a ‘norm’ way of looking at the legal business, but it’s no longer necessarily how they’ll work in the future.

“Cost is becoming ever more critical as the market becomes more competitive,” outlines Lorraine Barnet, managing director for total document management at Mitie. “Firms have moved from a world of bundles to one of iPads and USB sticks. That’s a signal of the new challenge of documents for a firm.”

This presents challenges at every step of the work process – from collecting information to centralising the way that law firms process documents and understanding where information is in the business. Most law firms still work very manually with documents; they don’t generally work using paperless/digital files, and they could share information a lot better than they do. The document, as a thing and an idea, is costing firms far more than it should. The answers to this problem lie, says Barnet, in changing the way firms create and handle documents (or not).

“One thing our clients increasingly want is

a hybrid mail and print facility. So, rather than everything being on-site, having a reduced footprint on-site and giving the firm back the space currently taken by document production and processing, and supporting that with an off-site production facility. It's reducing the space needed on-site for services like document production and mail and reducing how much paper we're sending back, digitising some or most of it instead."

Can law firms ever go paperless? This, to many, is a painful question, but there is a reality that's halfway there, says Barnet. "I sense the green shoots of a 'paper-light' future, not a paperless future. Definitely there's less paper being produced, but there's still probably too much being produced."

Some firms are trying to centralise both document storage and production – just look at what Wragge & Co are doing (outlined in the October 2013 issue of **Briefing**). "That's already started to happen in legal," agrees Barnet. "It's resulting in a consolidation of roles, such as the records clerk or a post room or print room person. But it's about structuring people to be in the right place at the right time – for example, ensuring there are people in the post room around 4pm, which is the busiest time of the day."

There are challenges in that, she admits – people can't be in the same place at the same time. But the movement towards giving work that's not 'core' to legal services – like mailroom and records – to outside companies will continue, says Barnet, because it works.

"[Going further] up the value chain – HR, finance and others – there's a lot of scope there for outsourcing but the challenge is around how comfortable the partnership is with that. It's also a bit of a risk, letting somebody else do your invoicing and payments or whatever else it might be – whereas with more non-core work, such as catering or cleaning or document

management services, that's not a risk, it's a benefit."

Companies like Mitie can also give firms great ideas that they wouldn't have themselves, she says, because they do the same kind of things for lots of different businesses. They also have in-depth knowledge of wider industry developments in the legal sector, so they're able to implement process improvements and new technology as well as create immediate savings.

Mitie has helped law firms become more efficient for years, says Barnet. For one thing, they don't generally have procurement departments – which, she says, isn't always a bad thing, but it means they're not effective at getting the best price for commodity items. Firms also don't do self-analysis, of process or behaviour, very well.

Things are changing inside legal, though, she says, because of the pressures being exerted by market changes, such as market consolidation. Talk of synergies and role rationalisation has become a real thing for firms – not just their clients – and market consolidation has become a major catalyst for change. Clients and lawyers are also working in more flexible ways – they're on-site more, and wherever they are they need access to data quickly.

The best time to make changes is when there's a reason to make a change, such as looking at how to do filing differently because you're moving to a new building, she says. "It's much easier to accept change when there's a significant change going on within the firm, rather than just a change for change's sake."

Find out more about

Mitie Total Document Management
www.mitie.com/tdm



Industry Analysis

Tomorrow's legal leaders could, and should, come from anywhere

Gary Jones at Totum says legal businesses should take more risks on hires from outside the sector if they want the best and most innovative talent mix in their firms that they can get

At Totum, we have the pleasure of focusing entirely on the rapidly growing community of business services professionals in the legal profession. Over the years, we have taken in changing market trends, including not just the resilience of business services teams through recession, but the critical role they have played in ensuring their firms' survival and growth through both good times and bad.

We have seen how systems, processes and team structures have advanced as firms have invested more in their support infrastructure. We have faced an ever-increasing demand for skilled business managers who understand the partnership environment. At the same time we are responding to more calls from sophisticated firms for professionals with the skills and commercial insight acquired from roles undertaken outside of the legal sector. And we are working hard to meet a rising need for specialists in areas such as pricing and project management – roles that would have been beyond the imagination of most firms just a few years back.

What makes a legal leader?

None of this would have been possible, however, without the guiding light of some truly talented professionals at the helm of functions including HR, marketing and business development, IT, finance and knowledge management. This is why we welcome the work of LSN to recognise these stars of the legal business services world. These are the professionals that are not just advancing the cause of their own firms, they are helping to transform the legal profession as a whole.

They are also the leaders that inspire and attract talent. Candidates no doubt notice revenue and profit figures – especially as so eagerly and frequently reported by the legal press. But law firms are nothing if not people businesses. As recruiters, we know how much personality counts as a talent draw. Mention Mishcon de Reya, for example, and candidates will likely know it has published positive figures of late. But it's typically not the financials that enthralls candidates so much as the idea of working in the same firm as its innovative director of BD, Elliot Moss.

These are leaders who have a sterling market reputation – who are seen to have changed their firms for the better and so can offer an environment with challenge, excitement and real career opportunity.

In our experience, these leaders share an important characteristic: they are comfortable in their own skin. They are not afraid to make difficult decisions, to challenge the status quo or do what they think is right even if that demands substantial change. Their confidence makes them good team-builders: they are not afraid to recruit very senior people below them, because they know they will not be ‘shown up’. They delegate effectively and are quick to promote those that show promise, bringing up those from more junior ranks and creating a strong succession path. The result is a virtuous circle as an increasingly high-calibre team has the power to attract yet more top talent.

We know too that these leaders inspire a following. This is both an opportunity and challenge for law firms. Treat such talent well and the return is an incredibly loyal team. But lose your leader and you may face a sudden gap in your workforce.

Talent needs a break

Another word of warning for law firms, too. As firms have become better acquainted with these talented business services leaders, they have become understandably less willing to compromise. In recent recessionary times, we have found that firms that haven’t been able to find what they consider ‘the best’ have been less likely to make the hire at all. This may be

wise in an atmosphere of continued caution following years of budgetary constraint, but up-and-coming talent needs a break.

Today’s stars of legal business services didn’t all come to law as a known quantity. Their outstanding contribution to their firms has in no small part been down to them being given

“Today’s stars of legal business services didn’t all come to law as a known quantity.”

Gary Jones, director and consultant, Totum

the room to see and do things differently. They stand out because of their ability to break embedded patterns of established thinking together with years of law firm tradition.

The talent of the future will need room to shine too. The leaders of business services that we are celebrating here will no doubt continue to offer that in their own teams, promoting those who they see have real creative or commercial insight and/or leadership potential.

But if we really want to see more of this kind of calibre of leader, then firms as a whole will also have to remain willing to step out of their comfort zone and take a punt on something new.

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Totum

www.totumpartners.com



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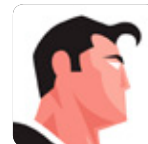
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