Briefing

March 2016

SMARTER LEGAL BUSINESS MANAGEMENT

TEAM GREETING
The IT team at Taylor Wessing is working on a plethora of projects, but also has time for clients

MERGER MANIA
Some basics of brain science can help steer employee reactions to demanding and disruptive change

PROCESS OVERDUE
Workflow efficiency enters a new age with greater grip on the possibilities of business process management

Better behaviours

Could law firms learn some lessons from other industries when it comes to managing continuous self-improvement?

Editor's letter

S o it appears to be one more point to 'team machine' in the fierce battle waging over who's going to be doing all the hard work in the future.

I refer, of course, to those ever-advancing rows of artificially intelligent players eager to replace your feebly human – however professionally-trained – fingertips.

In February, the High Court approved the use of 'predictive coding' for electronic disclosure – in this particular case, for sifting some three million documents as to relevance. I won't bang on about it at great length here (look out for more coverage in future, though) – but, for now, suffice it to say Master Matthews found "no evidence to show that the use of predictive coding software leads to less accurate disclosure being given than, say, manual review alone".

Why bring it up? Two reasons. In this month's great content mix we finally get around to reviewing The Future of the Professions (how technology will transform the work of human experts) by Professor Richard and Daniel Susskind (p8). Hopefully it's a tantalising glimpse of that future that tempts you to read on.

If that's not enough, our cover story takes a dive into the world of continuous improvement (coincidentally, the subject of last month's book review). That's all about finding incremental efficiency gains. Improving the quality of your end product, sure – but also, let's be frank, doing stuff cheaper. The formula behind predictive coding seems to be that having higher-skilled folk 'training' software to appreciate the relevance of something is ultimately a more cost-effective route than having many more junior lawyers slogging away at documents for that much longer.

But, of course, it's all about the balance. Managing continuous improvement hinges on many possible meeting points between process and people. It could require better understanding of where a client's journey with you just gets a bit too bumpy – or involve giving workers more power to take remedial action based on the real-time data at the business's disposal.

One thing's for sure. As AI wants to join in more and more, it'll be vital to know exactly what's involved in our entirely understandable urge to get ever 'better' at the stuff we still do.

Managing continuous improvement hinges on many possible meeting points between process and people

RICHARD BRENT EDITOR

We asked lawyers about the impact of using **ContractExpress***...

Need

Result

We need to improve
drafting efficiency
to save cost

>

Average drafting time saved

82%

We want to improve the
consistency and quality
of our documents

>

#1 benefit to organisation

Reduced
risk of
errors

Don't fear document automation - make it your ally.

Many of the world's leading law firms and in-house legal departments are
enjoying the benefits of implementing ContractExpress document automation,
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Better behaviours

"Ability to learn, through accelerated access to knowledge, must be constant."

Ed Hoffman, chief knowledge officer, NASA

Briefing is the only legal business management title, and is focused exclusively on improving the work and worlds of law firm management leaders. Every issue is packed with relevant insight and lessons from peers and pros.

Leaps into action

W ell, never has an extra day in February been more welcome, let me tell you, dear readers, than for getting this bumper issue of **Briefing** ready to roll.

It isn't quite sighs of relief that we're hearing from our friends over at UK law firm first **Slater & Gordon**, though. Hit by its purchase of Quindell last year, just as 2016 prepared for its joyful leap, the firm reported a first half loss of £493m (A$958.3m), stressing a write-down of goodwill and "underperformance in the UK operations".

Nevertheless, there's the more hopeful sound of new beginnings in the somewhat damp air. "The decline in business performance in the UK is of

50

Roles expected to be in place by end of the first year of operations for Hogan Lovells's second global business services centre in Kentucky

serious concern to all at Slater and Gordon and equally will be of concern to our investors," said managing director Andrew Grech. "We have made some tough but necessary decisions to establish a clear pathway for the future." The business is preparing an operating plan and restructure proposal for its banking syndicate and financial advisers this month. Efforts to improve, says Grech, include business process changes to the functioning of a new case management system (one that caused a loss of productivity, which affected results). Subject to consultation with employees, the business also plans to split operations into three "centres of excellence" – fast track personal injury claims, serious and specialist

PI claims, and general law services. There'll also be a "strengthening" of the finance team at group and UK levels – and up in the most senior seats, a new audit, compliance and risk management committee chair, NED and group CFO.

Dentons, meanwhile, has also had better risk management on the mind. The firm says it has now become the first in the Middle East to achieve ISO 22301 certification for business continuity – a model for measuring and driving continuous improvement in preparedness for disruptive incidents of all types. The bottom line, of course, is that the business can keep serving clients as though nothing unpleasant had happened.

And new operational efficiences are on the agenda at **Hogan Lovells**. The firm is to open its second global business services centre (but the first in the US) in recognition, after a strategic review, that some in such roles need to be rather nearer to US lawyers than Johannesburg, South Africa.

The business services folks will be stationed out in Louisville, Kentucky – a city that doesn't make the global headlines all that often, but it's all about the time zones and "cost savings when compared to Washington DC", according to the regional managing partner – plus a nice pool of available talent, of course. Expect a team of 50 to be up and running by summer 2017.

Global chief operating and financial officer, Scott Green, (interviewed in **Briefing** last month) said: "The centre in Louisville will work closely with its counterpart in Johannesburg to create an extended working day, helping us gain the benefits of the global nature of the firm." ◤
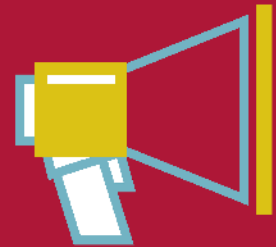
New operational efficiencies are on the agenda at Hogan Lovells. The firm is to open its second global business services centre – but the first in the US – in recognition, following a strategic review, that some in such roles need to be rather nearer to US lawyers than Johannesburg

LEX POP

All clear for putting data in the cloud?

With a new EU-US 'Privacy Shield' on the horizon, we ask: Can you now trust the cloud for more cost-effective management of key client relationship or operational data?

DAVID AIRD
IT director – DAC Beachcroft

Yes, or certainly no less than doing it yourself. Most law firms simply don't have the scale and often the expertise that cloud can offer. The question should be: 'Why wouldn't you put your data in the cloud?' The minimum benchmark should be at least as good a level of security as you could offer if you did it yourself – and then the vendor should be offering even greater levels of security on top. I think people need to take the emotion out of this and examine the facts. Going against cloud is like swimming against the current. You expend a lot of effort and end up with less for you and your clients.

KEVIN HARRIS
IT director – Taylor Wessing

I guess the question is: 'Can you trust the cloud providers to store your data in only the countries you have specified?' The major cloud providers, such as Microsoft and Amazon, rely on trust and transparency to deliver revenues on their multi-billion dollar cloud infrastructure investments. To back this up they spend significant sums on independent audits to demonstrate compliance. For commercial reasons the cloud providers also have no choice but to comply with their policies. The alternative is to risk their massive data centres gathering dust.

Do you have a view? Or indeed news for us to review? Have your say on Lex Pop – tweet us @Briefingmag or email briefing@lsn.co.uk

THE DEBRIEF

The Safe Harbor agreement allowed companies such as cloud providers to move data between locations (the US and Europe) if they had adequate security in place. But that had the rug pulled from under it at the end of 2015.

Its successor, the EU-US Privacy Shield, was unveiled in February. It isn't yet in force, but the European Commission says, for the first time, the US government has given the EU "written assurance from the office of the director of national intelligence that any access of public authorities for national security purposes will be subject to clear limitations, safeguards and oversight mechanisms".

It also promises tighter conditions on participating companies for onward transfer of data to other partners.

Profession in peril?

The Future of the Professions is a daunting prospect, but a smooth and powerful read, says David Halliwell, director of knowledge, risk and legal services at Pinsent Masons

RICHARD SUSSKIND   DANIEL SUSSKIND

THE FUTURE OF
THE PROFESSIONS

HOW TECHNOLOGY WILL TRANSFORM
THE WORK OF HUMAN EXPERTS

M y father, a retired priest, listens in wonder when my medical student son tells him about the latest research he's seeing – and wonders what his own father, a surgeon who died before I was born, would have made of it all. The pace of change is astonishing, even with an underlying subject that hasn't changed in millennia.

So it's not surprising that the father and son team of Richard and Daniel Susskind have taken the thinking Susskind senior first applied 20 years ago in The Future of Law, and related it more broadly across the professions.

But medicine has a universality that the practice of law doesn't. Consulting, tax and audit, architecture, teaching, journalism and the priesthood stretch the concept further (the last two almost beyond breaking point). Their conclusions? Increasingly capable machines will transform work, giving rise to new ways of sharing practical expertise. In the end, the traditional professions will be dismantled, leaving most (but not all) professionals to be replaced by less-expert people and high-performing systems.

To get us there, the authors take us on a detailed journey, from the sociological basis of the 'Grand Bargain' that accords privileged status (why are we trusted to sign off passport photos?), through the history of print-based society, to the economic impact of technology on work (Daniel's specialism).

We're accompanied on our journey by an army of academics. But the book and its arguments are so clearly structured and signposted that a lay reader is guided smoothly. Sure, the most colourful language in the book is reserved for describing the coffee-making craft of a barista, and the majority of the writing would be more recognisable to a barrister as a tightly crafted skeleton argument. For me, though, this book excels when it's bravely predicting the future while flagging questions we face as a result. Society does need an open debate about the idea of machines taking decisions instead of humans. Should a life-support machine be switched off or a village bombed by a robot?

But how can that debate take place in an environment where change is already happening incrementally (and invisibly)? Will we be too late to pause and reflect?

And should practical expertise – the 'assets' marketed by the professions – continue to have monetary value in a technologically enabled world that shares that knowledge on a commons basis? What, even, is the future of paid work if capable machines carry out tasks that currently constitute most people's economic contribution to society?

Those questions go far beyond whether we need human lawyers, architects, journalists – or doctors. And, like my father, I will be fascinated to try to understand, in years to come, how on earth my grandchildren make a living out of their changing skills and knowledge. ◢

"This book excels when it's bravely predicting the future while flagging questions we face as a result. Society does need an open debate about the idea of machines taking decisions instead of humans."

WHAT'S ON YOUR RADAR?

Lucy Dillon, appointed chief knowledge officer at Reed Smith in June 2015, talks knowledge management past and future and processing work across the pond

Q What was your first priority at Reed Smith?

A I had to keep a completely open mind, and just spend some time understanding the organisation as it is. The majority of the practitioners are, of course, based in the US, so that has been new for me – and indeed part of the attraction. You have to start by taking stock of what's already there in terms of dynamics and culture before formulating a strategy.

Q What's most different on the KM front?

A I think it's probably fair to say that the UK has largely come at knowledge management from a content perspective – the materials, whether training or precedents, the lawyers need to deliver efficiently. And in the US it has been a lot more about technology. At a high level that has been quite a big difference – until now. We seem to be meeting in the middle.

What will be a challenge at Reed Smith in particular is delivering content to many more globally-dispersed groups – as well as the multi-faceted federal and state law matrix. I'm not looking to completely reinvent, but we may need to find ways to be more nimble.

Q How has the knowledge function most changed in the last two years in general?

A That would be its closer involvement in matter profitability. We were on the bandwagon early at BLP [Dillon's former firm] – it's about working closely with finance and IT to look at pricing and profit and developing better project management processes and matter documentation. Many of the solutions for improved project management have a KM angle.

Q Does knowledge have a particular role to play in the development of flexible lawyering?

A Yes. The USP for LOD back when we set it up at BLP was the quality of the firm behind it. All the contract lawyers had the access to the same non-client confidential knowhow and training. That lent extra credibility. KM was a differentiator really.

Of course, now I find myself in the position of employing LOD myself. They obviously don't give me access to BLP knowhow. But those people have the same data access as our Reed Smith lawyers here. I'm going to steal a phrase from one of my old colleagues: it's about giving everyone the tools to be as good as the best, whether you're a trainee or senior partner. That's really what it's all about.

Q Do you think your lawyers see the value in employing project managers?

A Yes – and fixed fees have been the tipping point there. Even a lawyer can see that if they are going to manage budget to come in at a specific price with excellent service, careful project management is the only way. Sadly until the burning platform comes, you just continue working in the same way you've done for years. Reed Smith has an amazing team of project managers and budget analysts who work with the lawyers to price a job and resource that job to time and budget.

There's the odd lawyer who loves the Gantt chart himself or herself of course – but that's probably a longer road to travel!

Q Any top tip for getting people sharing knowledge?

A Well, once you have the case studies that show the link between knowledge tools and processes and profitability, I certainly find people are banging at the door for more!

Database

Name one firm (other than your own) that you most admire. Here's the top five!

FRESHFIELDS
9 VOTES

LATHAM & WATKINS
10 VOTES

ALLEN & OVERY
15 VOTES

LINKLATERS
17 VOTES

SLAUGHTER & MAY
27 VOTES
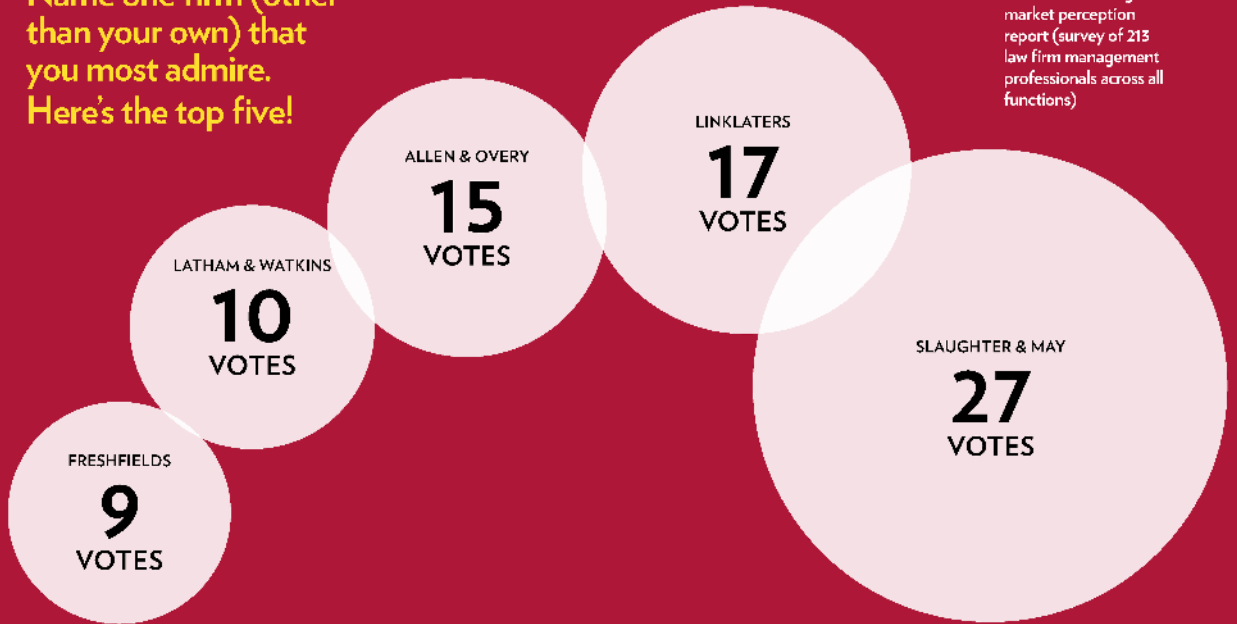
Rent per fee earner for firms in London in 2016

Open-plan layouts **£21,800**

Traditional cellular **£27,000**
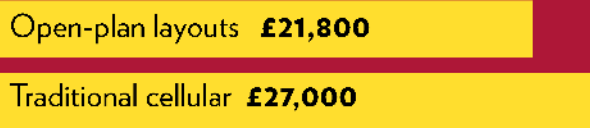
International arrivals – as UK firms take up less space in London

← UK FIRMS
-725,000 sq ft

INTERNATIONAL FIRMS
+225,000 sq ft →

Change in London property footprint, 2012-2015
Source: CBRE Law in London report

What percentage of women in professional and financial services are working 'flexibly'?
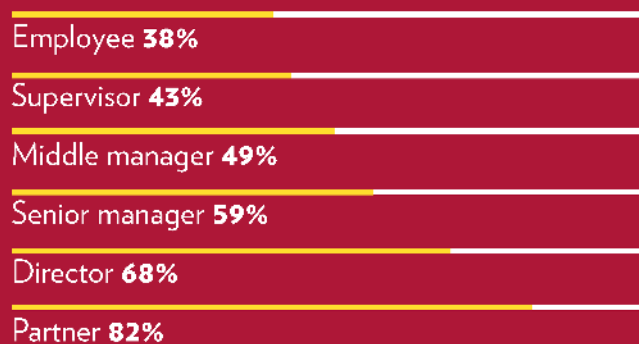
Employee **38%**

Supervisor **43%**

Middle manager **49%**

Senior manager **59%**

Director **68%**

Partner **82%**

Who's in the mood for Brexit?

1/4

Of small and medium-sized corporates support a Brexit as good for business

55%

Across all industries believe leaving Europe would lead to currency instability

90%

Of small firms in the information and communication sector are opposed to a Brexit

Alternative mood music

Tony Williams, principal at Jomati Consultants, assesses current appetites for a range of alternative business structures

T he first alternative business structure licences were issued back in March 2012. Some firms used the ABS to admit 'non-lawyers' – CFOs, CMOs and so on – to partnership, or to add specialists such as tax advisers and other consultants. These developments are fairly evolutionary in nature – but what of the new more high-profile entrants?

Well, private equity houses took a very close look at the legal services market and a number of investments were made. However, the earliest and largest – by Duke Street in Parabis – ended in tears at the end of last year when Parabis went into administration. This failure may deter some private equity investors - but the more likely impediment will be the lack of firms of scale currently prepared to engage with private equity houses.

What else? Quindell, which acquired a range of small law firms, found itself mired in corporate controversy, and was forced to sell the bulk of its business to the Australian listed firm Slater & Gordon. Slater & Gordon fared little better with the acquisition, as the market took the view that it had overpaid.

More happily, Gateley listed back in May 2015 and has performed well. It remains to be seen how Gateley develops and whether other firms will follow.

And 'Tesco Law'? In spite of that famous label, it was only Co-operative Legal Services that entered the market. Since then the Co-operative Group has been rather preoccupied with problems in its banking arm. Co-operative Legal Services has not yet made the impact anticipated.

EY, KPMG, and PwC Legal have each obtained ABS licences. The sheer size, breadth, client relationships and clout of these organisations mean that they should not be ignored. Their ability to provide integrated services on a global basis may make them a potent force, if they can indeed develop in line with their stated ambitions.

A number of major corporates, including BT and some big insurance companies, have also obtained ABS licences. It's still too early to determine exactly how these will develop, but they too may have a significant impact.

And finally, a number of newer entrants, such as LegalZoom and Riverview, have licences. They start from a small base – but as new, innovative businesses they've considerable scope to grow and develop their offering further.

In a new and untried regime we have, inevitably, had some early failures. But this is a period of innovation and experimentation. Hopefully lessons will be learned, and the next generation will be more potent and sustainable. The hype may have been overdone – but to discount the impact ABS may have over the next 10 years could be a costly mistake. ◢

> In a new and untried regime we have, inevitably, had some early failures. But this is a period of innovation and experimentation

Role models for change

Bryan Cave has some good examples of the advancement of women to leadership, but the work is never done. And the men need to get involved as well, says London managing partner Carol Osborne

There is no 'one size fits all' approach to developing and retaining talented women in the law. Perhaps that's why both UK and US law firms continue to struggle with diversity. Big firms have different challenges from small; firms in major cities have different needs to those in smaller, and US firms have slightly different cultures.

At Bryan Cave we haven't necessarily broken away from the pack on diversity success, but we are thinking hard and we are taking some big steps forward. For example:

1 In the US, women represent 46% of our non-partner lawyers
2 In London, women make up 60% of non-partner lawyers (including trainees) and half of our 16 partners

Our progress involves both organised and spontaneous effort, but can be tied to three factors: consistent focus on the issue, approachable and visible women role models, and the support of our male colleagues.

There can be no improvement in promotion and retention without focus. In 2015, the firm reinvigorated its 'women's initiative' by imposing structure – and therefore accountability. The 'leadership board for BC women' consists of eight female leaders, who represent different geographies, practice areas and career stages. Our chief marketing officer is a member – providing direct input into personal brand-building for women – and so is our chief diversity officer, driving the goal to increase women leaders at every level.

Our BC Women program also has three key (measurable) objectives:

1 To increase the number of women rainmakers, partners and leaders
2 To provide access to meaningful development opportunities
3 To elevate the profile of women lawyers internally and externally

But the real work is done locally. Local programmes include creating business networks with other business leaders in the local community – something women can find it difficult to establish on their own.

Other programmes focus on the personal brand building and mentoring of younger women lawyers.

Diversity studies consistently report that successful women role models are key. Our firm is doing more than most. Our chair is a white collar crime litigator who raised a family, building a private practice after leaving the Securities and Exchange Commission. And 10 of our 24 offices have women as office managing partners, including in major international cities. Our chief marketing officer, chief technology officer, chief innovation officer, chief diversity officer and general counsel are women.

Firms need to have women leaders like these who inspire. But finally, there is no success without the participation of our male colleagues. We're fortunate to have many examples of men who create meaningful opportunities for women associates to not only work on the most interesting deals or most challenging cases, but also to join pitch meetings and client development events. Male partners and senior associates even serve as mentors and sponsors of our women lawyers (and, for that matter, vice versa). Our women want to be team players – and that's what happens.

GRAND DESIGNS?

Hourly rates at the largest London firms now exceed £1,000, the highest ever recorded, according to a report published in February.

The Price of Law, written by Jim Diamond for the Centre for Policy Studies, suggests the legal market demonstrates a lack of transparency over fees, which are not published online, that the billable hour is "outdated and unsustainable" and that "alternative billing methods must be considered".

However, Law Society chief executive Catherine Dixon says: "Many of these firms offer competitive prices. They are highly successful businesses operating in a competitive sector. We should be celebrating their phenomenal success."

Features

Better behaviours

Can legal business learn from business process in manufacturing and retail – or even actual rocket science – when it comes to learning to make the daily grind of law firms smoother and smoother?

Words Richard Brent

B ack in January 2014, Clifford Chance published a white paper Applying Continuous Improvement to High-end Legal Services. Authored by the firm's then global head of business transformation, Oliver Campbell, it said the guide drew on around five years of investment and training in continuous improvement techniques – and Campbell outlined key changes that had materialised by adopting a more structured approach to refining process.

These included, for example, adjusting fixed communication points between the more experienced and junior lawyers (including paralegals) who made up document review teams. Queries from teams to 'superiors' were now dealt with daily – and this swifter feedback apparently meant fewer documents tagged incorrectly.

In another case study, the whole team compiling end-of-matter bound volumes of such documents, "from partner to print room", were brought together to brainstorm. It was found that the binding process began too late in the overall transaction timetable – so there was unnecessary printing. Now a tech-heavier process reduces both duplication and paper (and costs, by 60%, and time, by 80%, the firm says).

Clifford Chance has even set up joint continuous improvement workshops with clients to see where both sides may be going wrong – causing unnecessary delays, for example. Process changes prove beneficial to both parties – in an area where efficiency and value of work is, after all, particularly closely intertwined.

Of course, the importance of law firms being more efficient – and working more closely with clients – has itself changed. Firms may now be working to any number of alternative fee structures, where efficiency's rewarded and its opposite inevitably punished. They've invested in project management professionals and technology to help. But it's the job of 'continuous improvement' to make these gains consistent and predictable. Improving processes is a process itself. It needs management, monitoring and measurement. "Put simply," said Campbell, "it involves applying scientific rigour to determine the best approach to carrying out a piece of work."

Leaner times

In that case, firms could perhaps also take a look at other organisations where such rigour has been embedded for rather longer.

Sarah Lethbridge, director of executive education at Cardiff Business School, agrees. Her area of expertise is the Lean model of process

improvement that hails from manufacturing. The Machine That Changed the World, first published in 1990, identifies how certain principles helped Japanese car manufacturer Toyota to improve quality and reduce cost, suggesting they were transferable to other areas of mass production. Lethbridge was recruited by Cardiff's Lean Enterprise Research Centre to apply such ideas to the services sector. She has worked for the Lean Academy at the Ministry of Justice, as well as implementing projects for hospitals and tailoring the key principles to the business needs of particular companies, including Legal & General and Nestle.

"The primary thing we're always trying to achieve is economies of flow," she says. "We want to create competitive advantage through our speed at delivering customer value – and one of the ways we do that is through the elimination of waste."

But in order to identify where time is most wasted, she says a key part of a Lean approach is to describe the chain of steps that constitute customer value – known as the 'value stream'.

"We have to assemble a cross-functional team to analyse exactly what currently happens. The idea of a value stream is quite mature now – but when we started, people were so used to working in their little bubbles. They just didn't really think

about the mechanics of how work reached them."

As a Lean facilitator, she says she moderates conversations centring on how people simply don't know what others in their organisation actually do every day – and how exchanges of information or status alerts have a huge impact on when other actions will get done. "People have just never thought about it – so let's really nail down what the process looks like, from beginning to end, with everyone involved."

If these issues of separation and miscommunication sound familiar headache fodder to legal ears, they should – and a value stream could serve to soothe. A full picture of the client journey paves the way for new process elements that may both reduce average lead time and improve reliability of delivery, which should mean happier clients. Lethbridge gives the example of a mortgage turnaround that could take anywhere between 10 days or 250. Clearly, the customer won't be chuffed with that level of uncertainty.

Co-produced comms

Indeed, communication channels seem to be the real crux of how using Lean to sell services is different to improving manufacturing processes.

"In a manufacturing environment, customers buy a product, which you can use as a signal to trigger production back through the supply chain to replenish stock," says Lethbridge. This is the Lean principle of 'pull'. It means you're not creating waste by piling up stock that's going nowhere fast.

"Dealing with more intangible

"We have to assemble a cross-functional team to analyse exactly what currently happens."

Sarah Lethbridge, director of executive education, Cardiff Business School

things, that's more difficult. You have to respond to the individual customer query – which 'pushes' through the system instead. You can't have a series of divorces ready to be dispatched in the same way as a box of iPhones," she laughs. "Services are more of a series of interactions – and the product is often co-produced with the customer. So a lot of Lean in service is about analysing customer touchpoints to help create loyalty."

Key interactions are known as "moments of truth", she says. But a business may well be failing to deliver the excellent experiences they need.

"For example, we often find the very lowest paid, least trained people at the very beginning of a process – such as answering the phone. Sometimes within a Lean transformation, we'll try to adapt processes in ways that might seem counterintuitive. Do we even, perhaps, want a lawyer answering the phone? You'll say, 'we can't have this expensive person just sat there waiting for the phone to ring' – and of course, common sense is required – but changes like this do make a difference.

"In healthcare you put the most experienced people in the triage role, which can serve to collapse problems. It prevents the more junior from sending out tests for every possible thing,

which congests the system."

And it isn't just communication choices at the beginning of a value stream that can make business life leaner. Lethbridge says another very powerful concept is John Seddon's "failure demand" – the work organisations need to do because something, somewhere in a process, has gone wrong.

"We treat failure as a unit of work like anything else – but you can also question whether you should need to do it," she explains. In a financial services call centre, for example, how much work is customers calling to complain, to get more information, or just for an update on progress?

"Perhaps we should create a process where customers don't need to do this sort of digging. Instead, we can inform proactively, explaining what will happen next. In some cases we can automate interactions – but the key premise is to create confidence. Making a process completely visible means it must be able to be trusted."

It's another clear parallel for legal, where a client's acceptance of final price is far more likely if the process of reaching it is as transparent as possible – and communicated in advance of the bill hitting the floor.

Running risks

But if continuous improvement calls for comms to be thorough, messages may also need to be quicker than you think. Lethbridge says customers could get immediate updates by text. But what if your key activities are internal, and extremely complex, taking years or even light years?

Ed Hoffman, chief knowledge officer at NASA (and author of

> "We're looking closely at visualisation of information. We definitely need to be more visual and relational with knowledge, rather than having lots of specific lists to look through."

NASA's Journey to Project Management Excellence), led development of the rapid engagement through accelerated learning (REAL) knowledge model – designed not only to improve decision-making through captured and shared learning, but also to address hidden issues such as bias, ego and special interests. The rationale? Information must be considered in local context. If it isn't, interpretations at different levels of an organisation – and over time – can lead to extraction of the wrong lessons.

"The world changes so fast. You can't learn something, become expert at it and stay there," says Hoffman. "It changes almost immediately. Ability to learn, through accelerated access to knowledge, must be constant."

In the past, he says, NASA people might have a decade under the belt before working on something like a "subsystem project".

"Now you're going to be working on that sort of complex stuff here in just two years. You

Above: NASA chief knowledge officer Ed Hoffman

need to accelerate learning, and engage – and even entertain – people a lot faster."

Hoffman isn't, for example, the first to point to the 'Amazon experience' as the direction a very different sort of organisation still really needs to be heading in. "We're looking closely at visualisation of information. We definitely need more to be more visual and relational with knowledge, rather than having lots of specific lists to look through."

But if systems like this are to categorise lessons for continuous improvement, they're also dependent on frequent, quite unconstrained, user input.

"Costing and schedule are still key – but reflection time is a core part of the programme. Every project is a story. It could be a horror story – or it could be a wonderful adventure. But an environment where people can't share their stories openly is one that increases likelihood of failure."

Inevitably, of course, success out in space isn't quite that

simple. NASA gets funding from the US Congress – and most recently this has required investment in the idea of the agency's most 'critical knowledge' based on 'risk-informed priorities'.

Critical knowledge, says Hoffman, is around the top 10% of knowledge as measured on a scale of risk. NASA now has a 'critical knowledge gateway', which in turn depends on knowledge 'referees' to ensure the right stuff makes it through.

The risk priorities funneling through the gateway inform the processes needed to get different types of work done.

"For example, you need the rigour to ensure that a New Horizons gets to its destination [a mission to check out the dwarf planet Pluto, no less] – that this has had the right level of testing – but we want to be doing some other things very quickly, and obviously at lower cost.

"Projects purely focused on new technologies can assume a very large amount of risk. Failure here is acceptable, because it's

getting you closer to answering questions. But you also fail faster, at lower cost."

Higher-risk projects, on the other hand, involve more testing and system redundancy, which drives up your cost. It's where the two scenarios meet, around the edges, says Hoffman, that leadership is challenged to innovate for efficiencies.

Delivery of wine

And what of the ultra fast-moving world of manufacturing where thinking Lean originated – where there's a clear goal of getting repeatable, high-quality product out of the door and into the store every day? Can law firms dealing in ever more 'commoditised' transactions learn a thing or two from the operations of the warehouse?

In January, new world wine company Accolade Wines won World Class Manufacturer of the Year at the Manufacturer MX Awards – beating off competition such as Siemens and Rolls Royce. Accolade Wines' bottling plant Accolade Park in Bristol now produces 1,200 bottles of wine every minute. Wine flows in from around the world – and the site is the only dedicated wine-bottling facility in the UK, as well as the largest wine warehouse and distribution centre in Europe.

General manager Richard Lloyd says the company's

> ## "An environment where people can't share their stories openly is one that increases the likelihood of failure."
> Ed Hoffman

approach to continuous improvement gets credit for the win (it has tailored its own bespoke model by adapting fundamental Lean principles and various leaders' experience). And most notable within the framework is the way that individuals at various levels are able to change process – and so end product – as necessary.

"A foundation is that if you manage to empower people by allowing them to design aspects of how they work for themselves, they're much more likely to be passionate about that work," says Lloyd. "We need an operational framework to create consistency of course, but we also believe we shouldn't ask anyone to do anything at all unless they first understand why."

Having these foundations makes for a workplace where questioning process is not just a right – it's fully expected. At Accolade Park, for example, 'pull' doesn't refer so much to pulling product. It's employees at all levels pulling the company along. "We have 500 people on site here," says Lloyd. "If I have 30 managers pushing every new concept out, there's no way we'll get the levels of efficiency improvement I want to see. You need the majority to pull you along that road. So we encourage people to work with managers, and challenge them if needed,

with the problems they need assistance with on the floor."

One of the pillars of Accolade's Lean model is something called 'review and direction setting' – a system of performance management, at very regular intervals, where people review what's happening, and are empowered to change direction themselves, if required.

"The majority of our processes are classically reviewed every hour," explains Lloyd. "A shift manager will review it every six hours. There's another review at 12 hours, a departmental review every 24, and then weekly and monthly reviews. At each interval, employees are encouraged to analyse the current state and trends occurring, to ensure the future position can be accurately forecast, and achieved by interventions based on data.

"Of course, there are events where you need to escalate a decision to somebody more senior – but at the same time, there's recognition that the original plan for a week is likely to change due to a multitude of factors in any process."

As in law firms, the key to harnessing individual decisions is presentation of data. "The world of automating data analysis to extrapolate trends is great," says Lloyd. "But you might have no idea how people

Left: Richard Lloyd, general manager, Accolade Park

"At each interval employees are encouraged to analyse the current state and trends occurring."

are really interacting with it. So here we have information boards all over the site for tracking process, decisions and trends in real time – handwritten so you can see people have physically interacted with data and made decisions on that basis."

One recent example of this leading to measurable continuous improvement is reduction of wine waste. "It has generally been accepted by our industry that when you empty the wine's shipping containers you lose around 120 litres. We've managed to get that down to 20 litres – so we know we're saving 100 more than anyone else unloading in the UK."

Team tactics

Accolade Park finds it can also help to have teams themselves more fluid than is traditional. New faces change group per-spectives (and challenge group-think). The company makes a strategic point of moving people into new roles to benefit from the effect. And employees flex their skills at the same time.

"First, job descriptions are quite generic," says Lloyd. "We have manufacturing operatives and technicians – but they might work on the bottling line, in bag and box, or in the laboratory. So there's already an expectation that people will be flexible about their role in the business."

"Teams and stability are important – and we always keep somebody in a position for at least 12 months. But then we may well ask them to move. The understanding of how different departments impact one another is invaluable."

Does this also have potential for the world of law – where specialism is commonplace, including in business services? It would be a brave firm that forced finance and HR to switch rotas, but departments could at least arguably benefit from spending more time together.

Still not convinced? Well finally, how about Accolade's 'innovation suite', where business partners and suppliers are regularly brought in to mock up, and mull over, everything from bottle colour to label type for the ultimate prize of incremental gains in sales?

"Wine is a really competitive product to sell. If you walk down the aisle, it's hard to make the product really stand out. The packaging needs not only to entice, but to disturb, the consumer – because they don't get to try the wine, obviously, until they've taken it home."

Picking that perfect bottle is a challenge many in legal business may recognise. And they could have more in common with the bottle itself than they realise. ◣
Additional research: Declan Tan

THE DEBRIEF

It's not uncommon to hear it said that law firms don't "make widgets" – the point being that the law isn't a product that can be mass produced and conveniently packaged up to arrive at your door by guaranteed next-day delivery.

Increasingly, however, we are seeing firms accepting that certain elements of their work are repeatable. And that means that the processes behind those components can be made more efficient, and perhaps more satisfying to clients – incrementally – over time.

Firms may have more in common with other industries than they think – walks of working life that have long built ideas of continuous improvement into how they manage themselves.

Manufacturers, for example, are likely to embrace the principles of 'Lean', which include removing successive layers of waste – materials, or indeed time and effort. They don't want the supply chain to suffer from bottlenecks (too much stock piling up in the warehouse), but at the same time they don't want to run the risk of the shelves remaining empty and dissatisfied hungry, or thirsty, customers. They want things to 'flow'.

Reasons things might not flow as well as we'd like include an incomplete picture of the journey of a piece of work (all the people who touch it, when and how), inefficient allocation of skills that could make a big difference to a process, and also 'failure demand' – work we're effectively completing because we've messed up, or the customer isn't happy, or perhaps doesn't understand the details and schedule behind a transaction.

The first two Lean principles involve understanding and articulating the full customer 'value stream'. In other words, know your client!

TEAM PROFILE

Client faces

The IT team at Taylor Wessing are each experts in their own right, which gives them extra value to clients as well as the firm

Words Richard Brent

T oo often consigned to the 'back room' of the legal building – at least mentally – the IT department is a business function that has clearly grown in influence, and is now feeding into product creation and service delivery. IT systems are now vital links to clients – and the team at Taylor Wessing, for one, is certainly trusted to represent the firm's expertise to them.

"We will generally get involved in one of three ways," says IT director Kevin Harris. "In almost every proposal today clients will want a full conversation about how we are treating their data – our information hygiene, if you like.

"Beyond that, we've then got conversations about how new technology on our side might improve the relationship – what's missing, and whether we can build something new to help. That feeds into our project portfolio for the year. And third, we will complement our own cyber and data protection practices by meeting clients about matters such as their document management, security concerns and the cloud."

Information security officer Neil Law offers some examples. "We had some emails through from a client – and it was our own investigation on them that revealed an infection. At a partner's request I took a call with the internal IT team myself to explain how we diagnosed it, and how we were now responding.

"I've also recently spoken to some investment fund clients about the security products they're selecting – whether I would buy them myself, and if not, why not."

On the other hand, while not necessarily understanding the best treatments, clients today have higher expectations of data's overall health. "Previously, we would define what we considered to be secure. Now we have to match clients' definitions," says Law.

Experts in everything?
Security is also a good example of how the different roles in this tight team (more than 20 strong, says Harris) feed into common goals. Enterprise architect Richard Skinner says a

Above left to right: Taylor Wessing information security officer Neil Law, IT director Kevin Harris and enterprise architect Richard Skinner

relatively small infrastructure team can be sustained thanks to investment in advanced data interrogation.

"We have 3,000 sensors monitoring systems for performance issues as well as known and unknown errors, and we've found ways to make things more efficient over time. That's something we should also be doing to identify security improvements, but the same data can carry insights about performance. If somebody complains that the document management system is running slow, I can verify and mitigate that. And I think a next logical step is certainly to analyse such data better with artificial intelligence."

Skinner describes his role as creating the roadmaps for all development, with a technical eye to guarantee alignment of multiple projects with strategy. However, Harris adds that it's important everyone involved is a true expert in their area. "We have dedicated professional business analysts and security specialists – and likewise there's our three project managers for the dates and deadlines." Skinner's skill at picking out data can then reinforce strategic investment in specialist skills by quantifying the impact such hires have on the business's performance.

Clearly, however, these deep seats of domain expertise are also expected to contribute more widely – with clients (as Law does with data protection) but also internally.

"Our future planning and security aren't separate functions," says Harris. "Their discipline needs to be embedded in every project we do. The reason security keeps us up at night isn't our faith in the systems [which, in any case, has shifted to trust in the providers], but human behaviour. It's all very well a team of 20 understanding risks – the bigger challenge is the other 600."

Law adds: "The real challenge is getting training into a format fit for lawyers. Childish or boring is no good. And although lawyers get the point quickly, you need continual reinforcement."

After that comes Skinner's data to learn the lessons and prevent recurrence. "Following any incident I'm looking for indicators of the reconnaissance – whether it was random, or how a particular person was found," says Law.

Getting movement

Harris himself has only led the team for just over a year, but brings something extra to the table as former technology director of Deloitte, where he had a staff of 100. He was also briefly digital strategy lead at KPMG, covering mobile, market analytics and collaboration.

"Our practitioners now want the capabilities and service they see in the consumer space," he explains. "Agility and seamless access to systems are especially important."

Skinner agrees: "Meeting consumer-style demands for access with the appropriate security is one of our biggest challenges."

And Law says he works with the dedicated risk department daily – recently validating the firm's journey to the cloud. "We are using cloud wherever possible as part of a 'cloud first' strategy to increase agility and scalability while reducing maintenance overheads. Recently we've made use of software as a service for our HR system, document automation and two-factor security." The firm will look to increase infrastructure as a service over a three-year horizon.

Skype for Business, presence and video, are in too. Email, for example isn't just a constant security risk. "People are getting fed up with it, faster," says Skinner. "They'd prefer a collaboration platform that also promises a more immediate response."

Meanwhile, partners and tech folk sit next to one another on the firm's legal service innovation team that considers what could be changed on the client service side. "Self-service is a growing area," says Harris. "Like any law firm we already have deal rooms for collaboration, but we're also now looking beyond that to combining teams and technologies and creating communities for all interested parties to share."

Legal is a bit behind Harris's previous employers on the mobility front. "In my former life, laptop management was one of the biggest challenges, as people moved off to client sites for months at a time. Much more of my work is now deskbound – even desktop PCs for lawyers working from home. We'll be moving in that direction some more. Clients expect a more immediate response around the clock."

Fixing up laptops for lawyers or fighting cybercrime, IT is a function that manages to create tangible client value through its rolling responsiveness – and they do it as a team. ◢

▶ **FIRM FACTS**

TAYLOR WESSING
Offices: 28
Countries: 17
Global revenue: £239.8m
Headcount: 1,800
Ratio, fee earners to business services staff: 2:1

Shrink
your recruitment costs
by 40%

Trim £££s off your recruitment now

- Make significant cost savings
- Directly hire tomorrow's talent
- Grow your referral network
- Promote your employer brand
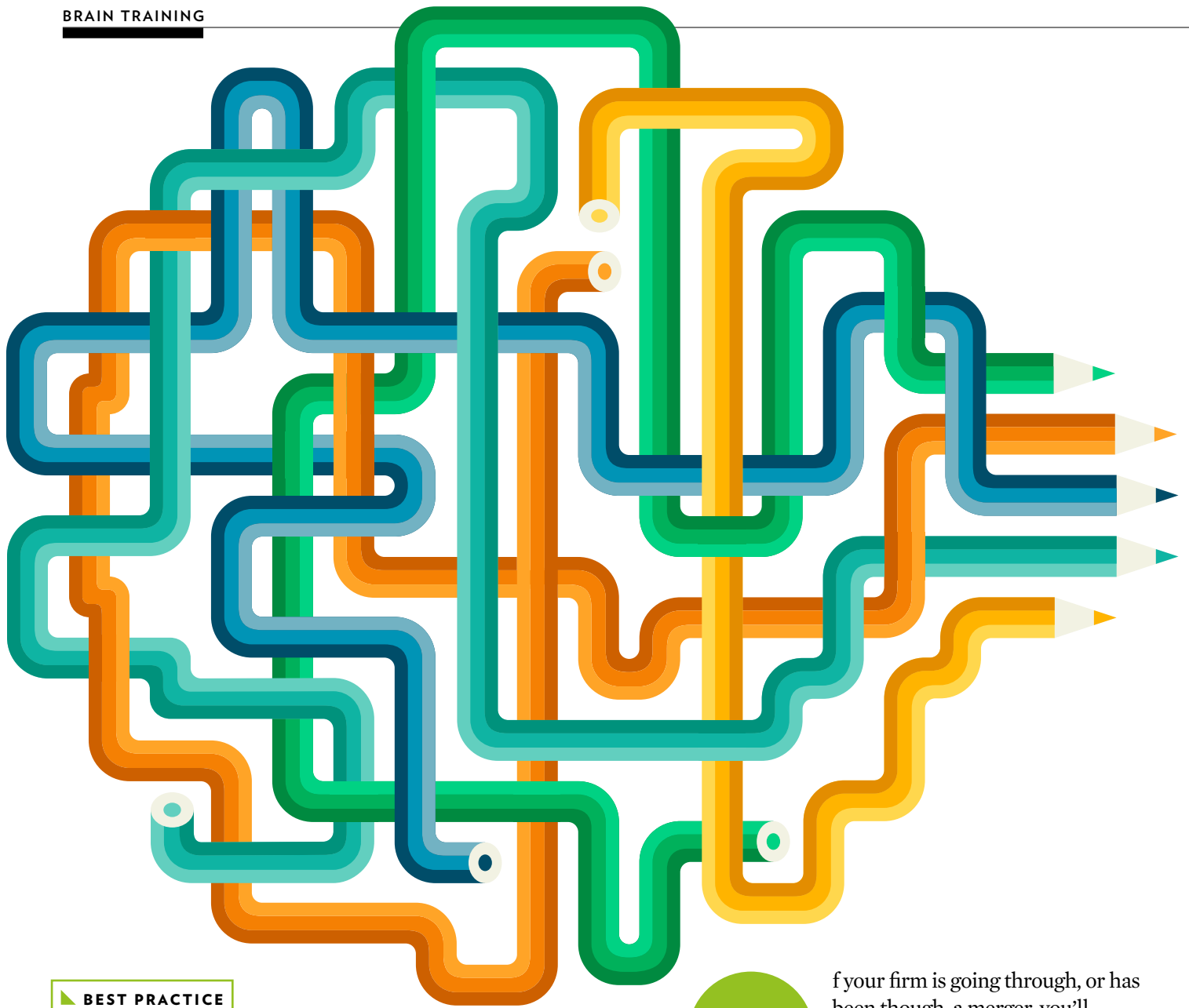
www.lsn.co.uk/jobs

legalsupportnetwork
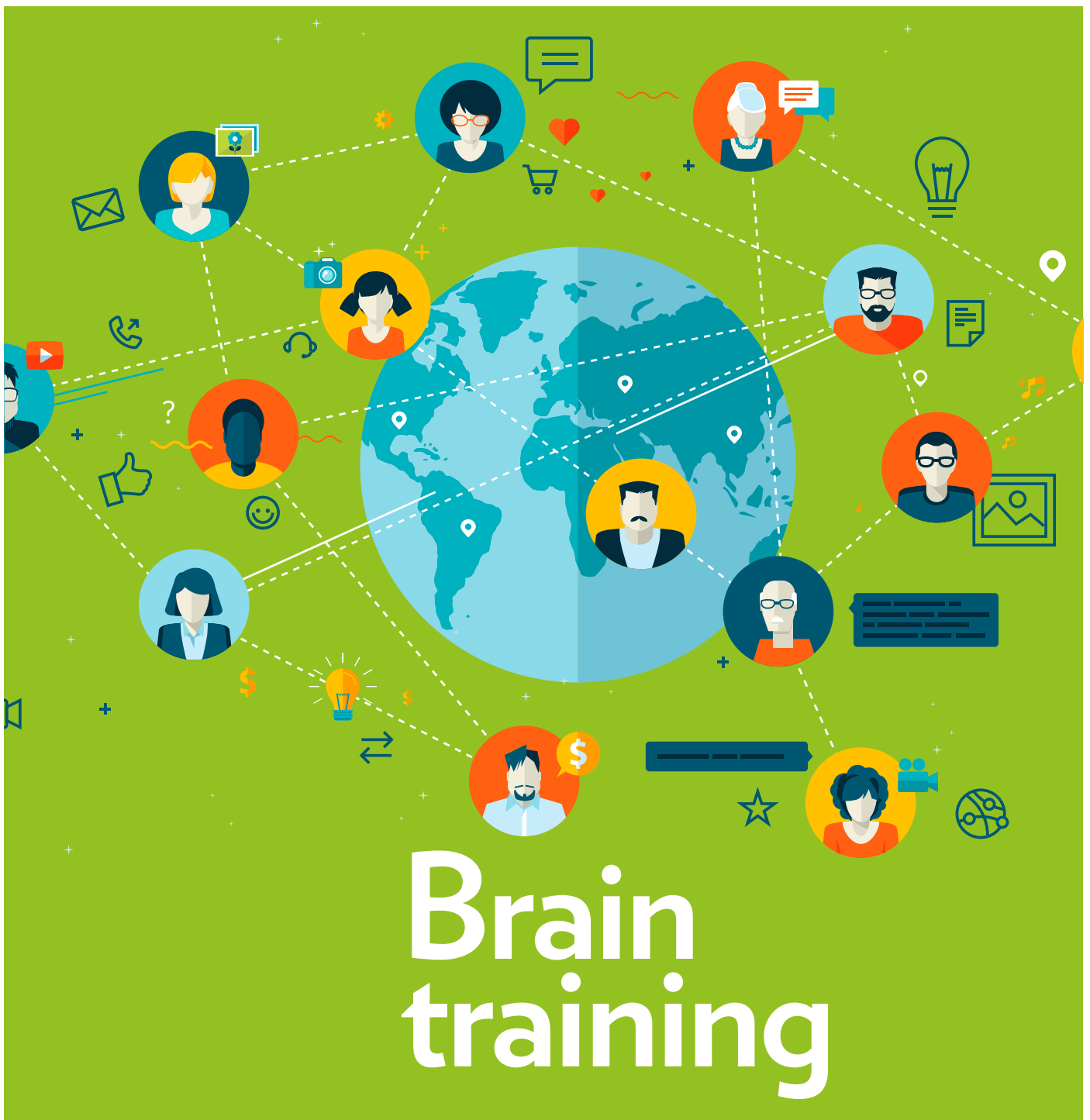
Brain training

25

Merger mystery?
Why do mergers cause a business such special
consternation? The answer may lie in instinctive ideas in all
of our heads about threat and reward

Merger mystery?

Mergers are notorious for odd behaviour. But a bit of neuroscience knowledge could help keep your growing business on track, says Jan Hills, former COO, Bankers Trust and author, Brain Savvy HR

I f your firm is going through, or has been though, a merger, you'll recognise some of the (frankly) weird behaviour that can result. People you thought you knew well, who you saw as solid and rational, suddenly start to do unusual things. Maybe they stop interacting, close the door and never speak to the team. Perhaps their whole focus is on delving into the whys and wherefores of what's happening in the process of the merger – so they're neglecting their actual work. Or maybe they practically freeze, unable to focus on work at all.

But neuroscience can shed new light on how people react in such scenarios. The brain is highly evolved to work in a social environment, and so if the environment doesn't provide the social support required, brains interpret this as a threat. We look for a number of things that signal this support – to feel included in a group, to know what's happening, to feel connection with others, and to have their support.

Without this, older brain parts – the bits that

govern 'fight or flight' – get activated. And that also takes resources away from the newer parts – the prefrontal cortex – dealing with lateral thinking, connection making, creativity and regulation of emotions. The prefrontal cortex is powerful, but slow compared to the more primitive parts. Taking time to analyse whether movement was a predator or mere breeze would have made us easy targets.

But in modern business, these older, instinctive reactions impact our ability to engage with others and perform well. If we can get better at understanding this reaction – in our colleagues and ourselves – we can build more productive relationships and be more influential.

Stress test

Stress activates similar bits of the brain to threat. But some seem to handle change and stressful situations better than others. There are a couple of useful theories about why. One says it's related to the degree of stimulation, or 'arousal', experienced.

Since 1908, the Inverted U model (also known as the Yerkes-Dodson Law after the psychologists that discovered it) has been used to demonstrate the relationship between stress (or extreme threat) and performance. The model illustrates that performance peaks when people experience moderate stress, but when they experience too little or too much, performance drops off.

Those to the left of the inverted U's peak are being under-challenged. Not enough stress, and you just can't get around to writing that report, making that phone call or clearing those emails.

The inverted U model
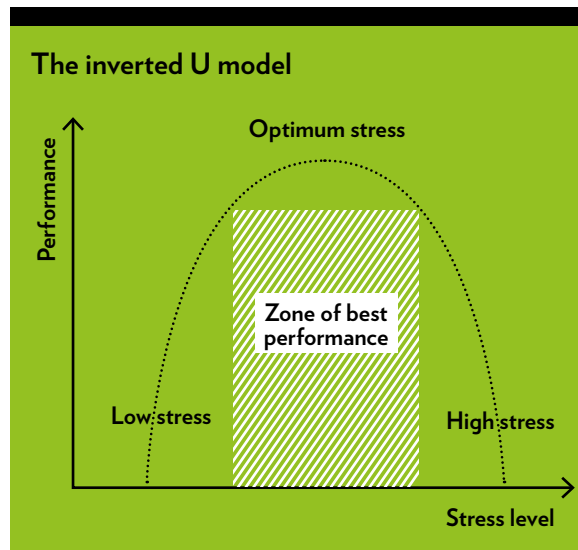
Above: The Yerkes-Dodson model of the relationship between stress and performance

At the midpoint we're in what's called 'flow', a state defined by psychologist Mihaly Csikszentmihalyi. He devised a formula to help people achieve the flow state. In essence, it involves striking a balance between how difficult you believe a task to be and how capable you think you are of carrying it out. If the challenge is too low you go into the so-called 'drone zone', and never engage. If you think the task is beyond you, you go into the 'panic zone' and go to pieces.

But those to the right of the U are being overly challenged. They're stressed. When we find ourselves in this state we're likely to react emotionally. We may lose sleep, forget things and find we're not making connections between information. It's that feeling any of us can get when we say something to someone and then realise we haven't made the connection with what we already knew – like asking a colleague if they know a new member of the team when actually we know they used to work in the same firm.

Different people, however,

need different amounts of arousal to achieve optimum performance. So it may be that the base level of arousal for people who generally welcome change like a merger is lower. Lower arousal gives them a greater tolerance of the extra stimulus created. On the other hand, people who already have a high natural state of arousal are pushed over the edge when they encounter the same level of change and uncertainty.

An individual's response will also vary under different circumstances. An employee who is moving house, has an ill parent, or whose teenager is leaving home may be less tolerant of change in their workplace. The solution, clearly, is to understand what is going on for individuals. Instead of labeling people 'difficult' for their reactions, it makes more sense to work to reduce their arousal.

CORE to the problem

Help is at hand – the CORE model was developed to better manage and understand one's own and others' responses when influencing people, suggesting change or building a relationship. It's based on research that found people feel threat or reward in four key social situations (all found in day-to-day office life). The four areas are:
• Certainty: our confidence we know what the future holds
• Options: the extent to which we feel we have choices
• Reputation: our relative importance (our social ranking)
• Equity: our sense of fairness.

The four can activate either the reward or threat circuits. For example, a perceived threat to

Divisional Business Managers

King & Wood Mallesons is a new breed of law firm combining local depth with a global platform. Offering a different perspective to commercial thinking and the client experience, over 2,700 lawyers across more than 30 international offices are working with clients every day to understand local challenges and navigate through regional complexity.

As part of the ongoing process to further modernise and fully integrate the global firm, we are adopting a new divisional structure for our Europe & Middle East business. Under the new structure, three new Divisional Business Managers will be appointed, with each taking responsibility for one of the following divisions:

Corporate, Funds and Finance – in addition to Corporate, Private Equity, Funds and Finance (including Banking), this division will also include Employment, Commerce & Technology, Restructuring & Insolvency, Energy & Infrastructure and Tax.

Dispute Resolution and Regulation – encompasses Dispute Resolution, EU & Competition, Financial Regulation and IP.

Real Estate – comprises Construction, Real Estate, Planning & Environment and Property Litigation.

These exciting new roles are pivotal for the business and as such the successful applicants will be required to provide high quality, high level management support to a division, both strategically and operationally, with a view to optimising performance, increasing the efficiency and effectiveness of processes and managing the divisional budget and resources.

We expect suitable applicants to possess many of the following attributes and experience:

- Intellectual credibility and the ability to demonstrate strong influencing skills
- Business experience, preferably from a professional services organisation, or possibly from a different commercial background but with a very clear understanding of operating within a partnership environment
- Strategic awareness of business and commercial issues and the disciplines of Finance, BD & HR
- Recognised appropriate qualifications or equivalent relevant experience – e.g. MBA, CA, CIMA
- Experience working within an international firm will be highly regarded

For further information about the role, please contact:

Justin Gyphion (Lateral Resourcing Manager)
020 7111 5115
justin.gyphion@eu.kwm.com

or to make an application please visit **www.kwm.com/careers**

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equity activates similar networks to a physical threat. Likewise, a perceived increase to social standing gives us the same buzz a monetary reward might. The reaction happens automatically – before we've even had a chance to consider it rationally.

In change situations, however, threats are flagged up more often than rewards. Our brains evolved to prioritise threats because they're critical to survival. In a work environment, that means we need to offer more, or greater, rewards than you might expect to provoke the desired feel-good response to a new initiative.

It also means just one threat can negate the benefits of a number of reward offerings.

Making mergers happy?

Let's imagine a merger requires a practice group restructure. Maybe staff must apply for some new positions. As a result, they may experience change as threat or reward in any of the areas.

Moving to any new job can threaten certainty. Perhaps they don't have clear experience of the rewritten role, and they may not have worked under that manager before. They don't know what to expect.

But if they're also given some options about the roles they can apply for – perhaps the location they're working in, or even some details of functioning of the roles – they may well perceive a reward in this other CORE area.

Given that the workplace is a social environment, it's clear that reputation matters a lot (certainly in legal). How a member of staff perceives their standing relative to others affects how they react to colleagues, how they're motivated and how they perform. Having got the job they applied for, they may feel

their reputation and their responsibilities within the team have been enhanced.

Finally, even if your friend didn't get a job in the restructure, if the process was robust and transparent your sense of equity may still be satisfied – so there are potential rewards there too.

Whether people experience threat or reward may have a significant impact on stress levels – and so on our ability to solve problems and make decisions, collaborate and self-motivate. Knowing the drivers that cause a threat response makes it possible to devise ways to minimise them. And understanding those that activate a reward response makes it easier to motivate people more effectively.

In a stable environment there's clearly a big advantage in recognising these responses – for example, in developing reward pathways other than pay rises or promotions.

But in times of change it's even more important. When the status quo is disrupted, some

people will be constantly scanning for ways in which they're threatened.

It may be the subtext of every team meeting and the subject of every informal conversation. And this will divert resources from people's prefrontal cortex – that part of the brain responsible for planning, analysing, problem solving and driving goals. Performance and productivity will suffer – decreasing morale and adding disruption at an especially critical time.

If we can shift a perceived threat from an unconscious level to a conscious one, it can be addressed. It might be as simple as categorical assurance of security or continuity, or devising rewards that serve to compensate for threats.

The CORE model can help in planning for big change in advance. Find the likely threats in the scenario – including how people might be behaving informally – and then find some possible ways of mitigating them and the stress they create. ◢

Industry views

Business process in power
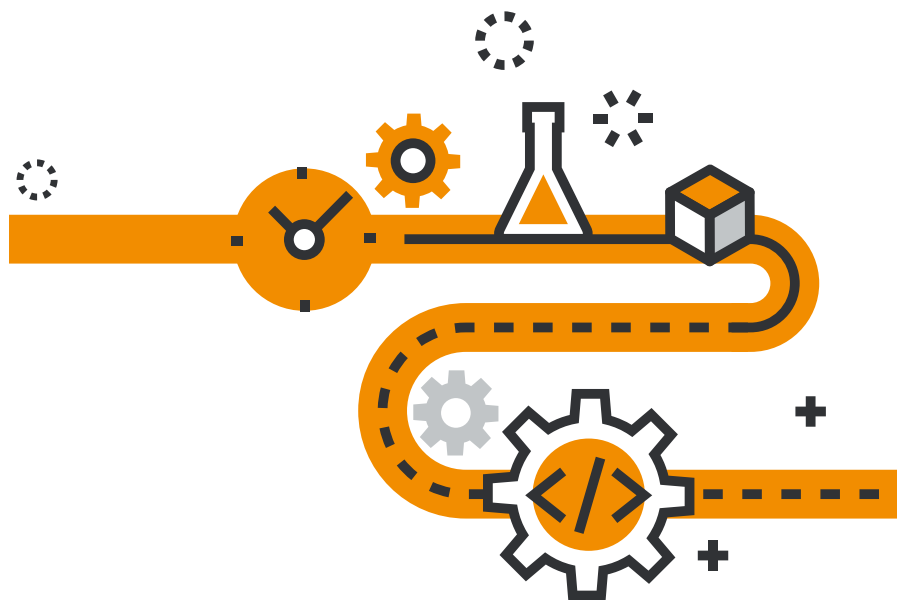
Intapp's Mark Bilson, vice president of workflow and integration practice, and Milan Bobde, senior product manager, outline the move from back-office to business-wide process management

P rocess management technology – once the domain of lengthy, complex projects involving extensive manual configuration and coding – is undergoing a seachange. With the availability of business applications that help to standardise processes within an organisation, projects that once consumed months can now take only days.

For law firms, this has put more control in the hands of the IT department and the business users – no longer so beholden to external consultants. It has also opened new possibilities for automating and expediting processes and workflows on a broader scale, and with greater impact.

Back-office to business process

When Intapp first released Intapp Flow in 2014, we found that many firms wanted simpler ways to automate their back-office processes. Workflows related to IT, finance and HR requests topped the list of the typical use cases that firms tackled first.

Moreover, adoption has been enthusiastic. Long-time users of Intapp Integrate (formerly known as Integration Builder), the leading integration platform for law firms, quickly embraced the intuitive front end of Intapp Flow. Its interface makes it easy for business analysts to create, visualise and update workflows – and then for lawyers and staff to adopt them.

Other early adopters were firms already using Intapp Open for business intake. They wanted to extend that workflow solution to additional business processes.

Over time, Intapp has found firms applying the product to a much broader range of use cases than could have been imagined. This highlights how business process management (BPM) practices are now starting to take hold across firms more broadly. Clearly, legal businesses are pursuing ways to make internal operations – and the external delivery of client service – more efficient and effective.

Adoption options

Here are a handful of key areas – beyond internal IT, finance and HR operations – where law firms seem to be optimising their processes.

1 **Complex matters**, involving a large number of parties, such as insolvencies, tend to generate a large amount of associated data – and this needs to be entered, tracked and updated. But firms can
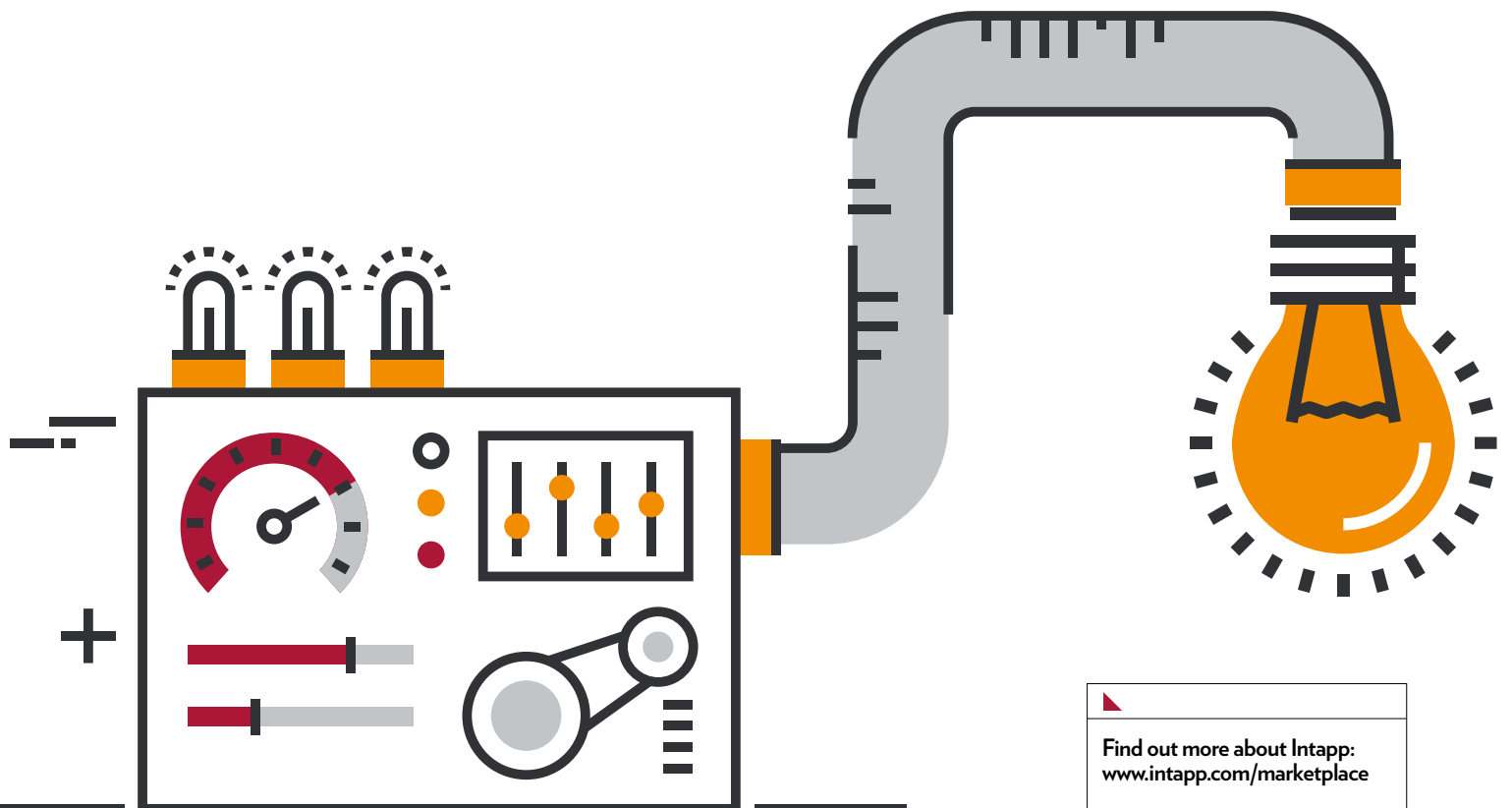
Find out more about Intapp:
www.intapp.com/marketplace

now automatically update information in a central repository, creating a single source of truth for matter information and eliminating the need to update multiple spreadsheets.

2 Document services centres Many firms are taking advantage of document services centres that allow a dedicated group of specialists to focus on document preparation and editing tasks. Workflow software can now help to manage requests from dispersed fee earners, assign tasks to production specialists, track progress and send notifications. The process can also be integrated with the firm's document management system.

3 IP practice automation Workflows integrated with docketing systems and DMS are enabling IP law firms and practice groups to streamline a variety of processes – allowing them to manage incoming correspondence, patent documents and deadlines, and to automate assignment and routing of tasks.

4 Electronic supply chain management In the insurance industry, businesses such as Guidewire and ediTRACK have helped to transform how

> **"Many firms are taking advantage of document services centres that allow a dedicated group of specialists to focus on document preparation and editing tasks."**

insurers manage their core business processes and link systems with suppliers electronically, for more control, visibility and significant efficiency gains.

And law firms working with insurers can now also connect their systems to those of their clients, allowing them to receive instructions electronically.

Higher standards

There are many workflow providers offering proprietary solutions for specific types of business processes – but standardising on a single platform helps to ensure consistency of approach, minimises the need to train and re-train users, and makes it easier and more efficient for IT to accelerate, scale and support changing business and legal process management needs over time.

So, combining application-specific expertise with the benefits of a standard workflow platform, Intapp has now unveiled Intapp Marketplace, showcasing over 80 solutions across a diverse range of categories from service partners.

It has been pleasing to see this new resource gain momentum, and additional innovative use cases should certainly develop as the ecosystem explores ever more ways to apply BPM methodologies to law firm operations, legal practice management, and client relationship management.

Resetting storage

A new centre in Northern Ireland is backing up iManage's mission to provide law firms with a holistic approach to the data governance of huge volumes of sensitive client documents and emails, says Neil Araujo

T he latest plans for a new EU General Data Protection Regulation – negotiations taking place in December last year – see the prospect of a fine equating to 4% of global turnover for infringements that affect "the rights of data subjects".

"Clearly, clients are very, very sensitive to how professional services firms handle their data in any case," says Neil Araujo, CEO of iManage. "But in the current landscape, this is also one of those things with the potential to bite firms badly when it's already too late – if they haven't made plans proactively.

"There are huge cost implications to how firms safeguard client information – not just the storage cost, but also the risk that it might get breached. You simply can't keep things safe forever – and you need some strong governance around how you

To find out more, visit:
www.imanage.com

"There are huge cost implications to how firms safeguard client information – not just the storage cost, but also the risk that it might get breached. You simply can't keep things forever – and you need some strong governance around how you deal with that."

deal with that. Governance means applying the right policies for the circumstances – whether that's security surrounding what's kept, where data is archived, or whether it's returned to the client or safely disposed of."

Efficiency gain

This is the background to iManage's very recent investment in a new R&D and support centre in Belfast, dedicated to the evolution of the business's iManage Govern software. Including iManage Records Manager and iManage Archive Manager products, the team will focus on how processes can be further enhanced, such as Record Manager's addition of a new feature that manages disposition workflow, return to clients or transfer to other firms by adding notes that reflect specific circumstances.

"It's very important that we're resourcing all our activities of this type appropriately," says Araujo. "You need sufficient firepower – and of the right quality – to approach governance holistically. Personally, I've always wanted a stronger development presence in Europe, and we're very excited by the potential of a big new talent pool."

The top priorities they'll be working on? First, providing the tools to enable firms to track where client data is located across myriad systems so that it can be governed, he says. "Second is enabling firms to track what they're signing up for when

data-handling rules are agreed with clients. They need a better way of tracking these to enforce them."

Number three, says Araujo, is a focus on operationalising data policy choices most efficiently – improving workflow for archiving, for example, or reducing the cost of long-term storage.

"On top of that, we're very focused on leveraging reporting and analytics to monitor access to documents. Despite all the security to protect documents residing on servers using encryption technologies, most security breaches occur when end user credentials are compromised and the 'bad guys' enter the system looking like a valid user," says Araujo. "The only way to identify something amiss may be to detect activity patterns at odds with how a user commonly works."

iManage Govern is available on-premises or as a cloud solution – and in February the business announced a series of enhancements to its cloud version. As well as faster performance through hyper-converged infrastructure and new technology, there are new tools for monitoring and alerting security events and failures – and data is encrypted at rest and in transit using customer-unique encryption keys.

"Professionals are very heavy information creators and consumers, so performance and bandwidth are a very big deal – and desktop integration is also key," says Araujo.

"But I also think you need the flexibility of a hybrid model. No firm really wants to be in a position where they must turn clients away because the client isn't comfortable with having data in the cloud. With iManage you can easily have some data on-premises and other data in the cloud. Decisions can be based on the individual needs of the business – they can move as little or as much as they wish.

"As with the governance processes surrounding storage, transfer and removal of information, it is an area where the need for tight control and oversight needn't be at the cost of flexibility to fit the specific circumstances."

Change for the better

Sam Nicholls, director at Intelligent Office UK, explores how a trio of people, process and policy is essential to true and lasting transition to digital working

T he way law firms deliver their services has never been under more scrutiny – all in the name of increasing revenue, growing market share and improving profitability. From re-engineering process to pricing strategies, from captives to outsourcing, the one constant is change.

Firms clearly see the need to change the way they support their fee earners and clients. The reasons are many and varied – but one imperative is to free up fee earners to focus on generating income or winning new business.

A lawyer spending time on non-chargeable 'admin' is a double cost to the business. Not only is the firm paying a high price for completing an administrative task, it's also losing out on time the lawyer could be recording.

Let's do the maths: 200 fee earners at an average charge-out rate of £200 an hour. Converting just one hour a week per fee earner from admin to chargeable time would add at least £2m of additional revenue.

The same's true of secretarial time – where salaries are on average 25% higher than general administrative resource. The secretarial time-recording data we've collected and analysed from a number of UK 200 firms consistently shows that around two-thirds of all secretarial time is spent on document production, file management and general administration. These activities could be delivered at the same quality, or even better, often more flexibly – and at lower cost.

For more information, visit:
www.intelligentofficeuk.com

Put the right support structure in place, and fee earners are free to focus on what they do best, knowing that administrative and secretarial tasks will be performed by the right people, at the right time and in the right way. The service the fee earner receives will be better. The end result for clients is improved. And the firm can focus on growing revenue and profitability.

Driving digital

The introduction of a new structure for legal support services can also serve as a Trojan horse for other process changes, often in areas the firm may have wanted to address before, but failed to get sufficient traction. Reducing paper is one example. It's a goal for most firms – although, as yet, one few have managed successfully.

The benefits of 'paper-lite' working are compelling. Cost is an obvious one. Less paper means less storage on- and offsite, which in turn frees up valuable office space. There are also significant hidden costs associated with a paper-dependant way of working. The ability to work flexibly is also driving firms to develop agile working strategies. They rely not on bundles of paper but on systems and processes. And finally, there's a risk and compliance benefit to moving away from paper. A single electronic file is easier to find. It's an improvement on its paper equivalent.

Law firms have a cultural attachment to paper. In order to move lawyers from paper to electronic files, we help address the reasons not to change and make it easier for them to change.

Piloting change

Hard-copy filing was still very much the norm when Intelligent Office started working with Capsticks, for example. Average storage space per fee earner stood at 14 metres. The firm had already outsourced document production, reprographics, general administration and mail services (to Intelligent Office). Its challenge was now to make the e-file the audit file.

The first task was to identify the barriers to change and the potential early adopters in a practice team. With a pilot group of fee earners in

"The ability to work flexibly is driving firms to develop agile working strategies. They rely not on bundles of paper, but on systems and processes."

place, the IT team helped to identify the technology requirements.

Process improvements were mapped out to help bring about change, scanning post as it arrives each day – and filing it straight into the case management system. Our local administrative floor support team then notifies the fee earner that newly scanned mail is in the system.

The pilot provided proof of concept and enabled roll out of these processes to all fee earners in the department. Then began a pilot with the next practice team, and so it went on.

The audit file was the e-file within two years. The firm no longer opens any new client or matter files in hard copy. Files are easy to access – and onsite storage space has been cut to just two metres per fee earner.

Since then the firm has also implemented a clear-desk policy. The onsite floor support team monitors desks every night to ensure the policy is being followed – something that would have been impossible to enforce before the firm's support services were outsourced.

Since Intelligent Office started working with Capsticks, the firm has grown to around 280 fee earners and annual revenue of almost £40m. The firm has also seen financial benefits, such as a 60% reduction in the cost of our service per fee earner. Reducing the amount of paper the firm needs to use is just one operational improvement the partnership has achieved.

Change is hard to bring about, but when firms grasp the nettle and pursue operational improvements and efficiencies, they may put themselves one step ahead of the competition.
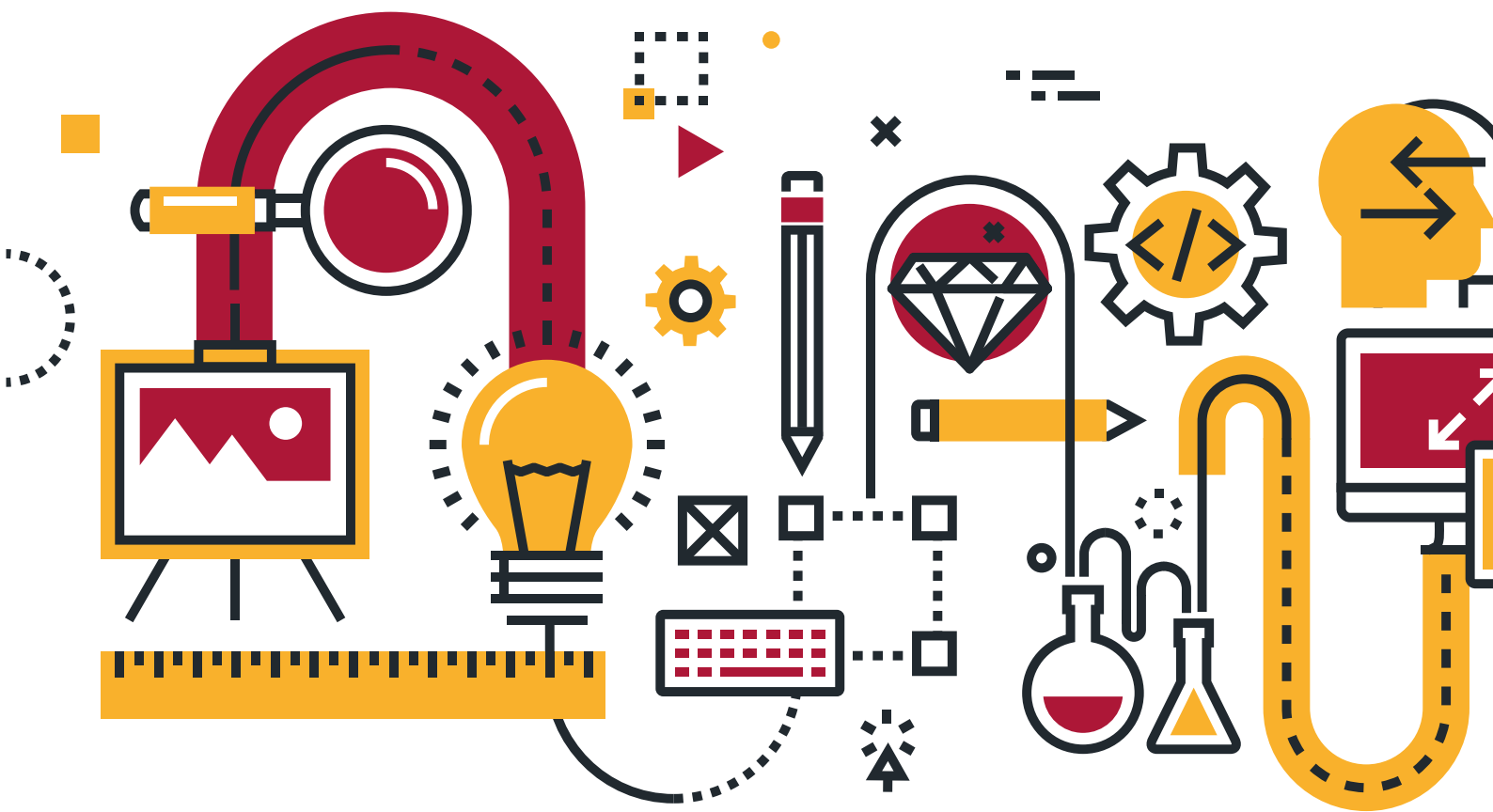
Integration in process

Colin Fowle, director at Blue Car Technologies, outlines how systems integration needs its own system of process management

W e recently collaborated with a legal software vendor about how we might make a software offering work with a well known document management system. There was a deep discussion around the merits of each technology – which platforms were supported, and whether there was a document application programming interface (API) and authentication mechanisms.

But then the conversation came round to the integration between the two products improving the overall experience for the end user (ultimately, of course, the lawyer). After a pause, the vendor observed the software would only need to send documents to their system, and then "put them back when done". In a sense, it's an admirably concise statement about what's required in such a process. But the devil – as always – is in the detail.

Blue Car Technologies builds integrations between many systems, from document management and collaboration platforms, through digital dictation, to electronic signatures and digital transaction management. Each project has different requirements from the software vendors about how they would like the integrations to work. But several processes are similar – with the improvement of the overall experience for the end user as a common goal.

Pain points in process

First, we must understand the process from end to end. We do this by talking to users to appreciate the steps involved, and volumes of data or transactions, from their perspective. We're looking for the pain points the user could experience. That will typically be laborious, time-consuming or repetitive actions – which make using the systems together difficult or cumbersome.

During this analysis we will look for user interface (UI) elements in the systems and the interactions the user must perform to make a process take place. Could these now be optimised in new ways by building additional UI elements to sit on top of both systems (or indeed by utilising the APIs provided by each vendor's system)?

Security implementation of each system also needs to be considered, and how data will be exchanged between them. Are both systems on-premises or in the cloud, or do we have a mixture of the two? Can the systems authenticate and work together seamlessly, or is some form of transformation required? Many cloud systems implement OAuth (open standard for authorisation) or a flavour of OAuth for user and integrated application authentication. This often requires the caching of access tokens outside of an internet browser environment. But is this acceptable to those managing the end users?
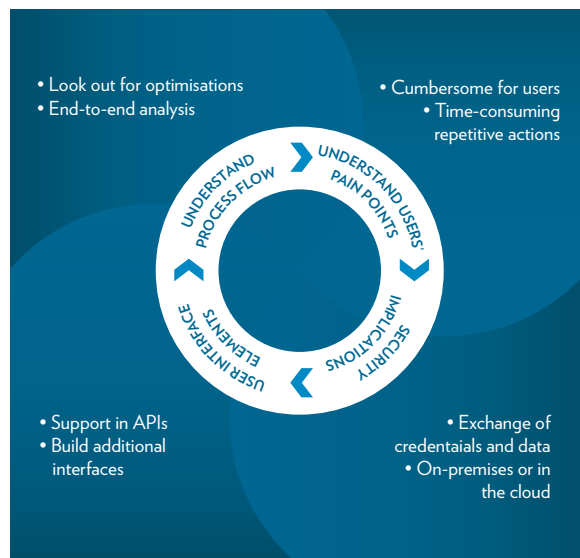
Automation options

Finally, we look to see if any user interactions with the systems can be further automated for greater efficiency. Again, looking at the underlying APIs for each of the systems, if they're well documented we can get a good idea of their functionality.

In the initial example, for instance, it was found that new versions of documents could automatically be created back in the document management system, after a digital signing process. The user was spared the task of having to re-profile the document themselves.

Hopefully this gives a flavour of the thought and business improvement processes passed through to build a seamless integration between systems. There are, of course, others that may be suitable depending on the availability of well-documented APIs, access to data models, and the strength of the partnership with other legal software vendors. ◢

Learn more about:
www.bluecartechnologies.co.uk

- Look out for optimisations
- End-to-end analysis

- Cumbersome for users
  - Time-consuming repetitive actions

UNDERSTAND PROCESS FLOW

UNDERSTAND USERS' PAIN POINTS

USER INTERFACE ELEMENTS

SECURITY IMPLICATIONS

- Support in APIs
- Build additional interfaces

- Exchange of credentaials and data
  - On-premises or in the cloud

Left: The cycle of process considerations for successful product integration

OUT OF OFFICE

Game for change

David Aird, IT director at DAC Beachcroft, has an eye on the ball for championing inclusive team spirit

I joined the Bristol Bisons – a gay-friendly rugby team – when I was 36. I'm now 42. I played at school, but aside from that the game was entirely new to me.

To be frank, being gay, team sports at school were difficult. I know a lot of gay guys who still don't do much for similar reasons, that they don't feel welcome. Some were perhaps bullied – and now that I'm a coach one of the joys is truly dispelling that and bringing new people into this world. Walking into that changing room six years ago was scarier than public speaking, board meetings or budgets – none of which faze me of course.

It was partly a social thing – meeting new friends – but I enjoyed it a lot and eventually became club chairman, although I stood down this year. I'm head of department at work – and I was head of department of the club, if you like. In a small voluntary club, the buck stops at the top. If you don't do your job, I have to do it for you. I found I was beginning to do a bit too much of everyone else's job – but I'm still playing as well as coaching.

We train every Thursday. The match is normally away at weekends once or twice a month. I come to London to work every couple of weeks – and I can try to make sure I'm back in Bristol by Thursday evening. Occasionally something like a partner meeting might not be movable – but I think it's important to have balance and I believe in agile working. I might leave London at say, 3pm, but perhaps I've been in meetings without a lunch break, and I'll be working on the train. Whether it's families, partners or social life, it's important to have things in life that aren't work, and which provide release.

Now I'm coaching more, I miss the physical activity a bit – but I've bulked up to play in the front row. It's good that people of my age can keep their hands in. These days I might dash on for an ex-chairman's came o at the end.

Last year I managed to persuade our head of finance shared services – a big rugby fan, and straight – to come and train with us. He had a cameo too a

> **"It's important to have things in life that aren't work, and which provide release."**

few months back, and got knocked about a bit. I think he decided he'd be better off watching. And every two years there's an international event – the World Cup of gay rugby. A few years ago Bristol hosted it. I was vice chairman then and volunteered for the project management and budgeting – and that was very hard to balance. I pulled a lot of late nights.

I'm also a member of DAC Beachcroft's LGBT network – Spectrum. We're relaunching it soon. Some events coming up are reigniting us. We're having a meeting with Stonewall, and I hope we'll get involved with Pride this year. Like rugby, these things need a bulk of people power to keep things rolling. It's a challenge that our firm is quite dispersed around the country. You can't really hold an event with two gay people in one office, one in another and an ally somewhere else. Large London firms of 2,000 can manage meet-ups more easily.

Volunteers are probably more difficult to organise in general really. After all, they're giving their time freely. In the office, I'm the boss. I hope I'm always polite, but that tends to help to get people doing things! ◣

As told to Richard Brent