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SMARTER LEGAL BUSINESS MANAGEMENT

May 2016

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Editor's letter



Who we are...

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



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We've all claimed to have caught 40 winks under the desk during the all-nighter before that oh-so-terribly important deadline, right? But would you ever want to, say, wake up in the morning, wander into the kitchen in your pyjamas, growl a good morning to your colleague who'd got there before you, before dishing up the first cup of coffee and both settling down to a few high-priority emails before hitting the shower?

The reason I ask is that I was recently at an event that alerted me to the trend of 'co-living'. Distinct from cohabiting, this seems to be an attempt to create the 'Friends' experience, which you'll recall made coffee shops cool again. You get to hang out with your mates (well, the people there with you – but the idea is that you'll manage to enjoy their company), and the communal kitchen, laundry, yoga, and so on mean the kinship comes at a fraction of the rent you'd pay alone. You're basically back on campus!

Depending on circumstances and need for privacy, what's not to like? But it's notable that the business behind it also sells

"Work is life and life is work." I emerged, blinking. This, surely, was a blur too far.

shared office space for 'generation freelance'. So could we be uber-conveniently co-living and co-working in various project configurations in the future?

It led me to recall a presentation I once heard where the speaker mused on work-life

balance: "What does that even mean? Work is life and life is work." I emerged, blinking. This, surely, was a blur too far.

Our big feature this issue explores the rise of the modern, open-plan, often hot-desking law firm office. It's striking how several of the ways designers try to anticipate objections to this have an aspect of 'home comfort' about them. 'Break out' spaces for more private moments have nice, soft armchairs around a coffee table. And larger kitchens on different floors have more facilities for lingering catchups over another brew and a biscuit.

Of course, this is clearly meant to drive collaboration, knowledge sharing and creative problem solving – and that's all good, to a point. But like Greta Garbo, sometimes I really do want to be alone. One firm we interviewed had to manage a move into less office space – which meant more home working was not just desirable, but essential for growth. That makes me much more comfortable. Working collaboratively – even closely – with colleagues is a great idea. But there's no place like home.

RICHARD BRENT EDITOR

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Listing and learning

"We're forced to answer questions that many firms just won't get asked."

Neil Smith, finance director, Gateley

Briefing



Game for change?

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.

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OUR VIEW

Diverse demands



It's that buoyant time of the year when law firms line up to list those lawyers lucky enough to be up for partner – and when we, of course, scrutinise what that might mean for their aspirations to greater workforce diversity.

Firms such as **Herbert Smith Freehills**, for example – which announced 20 new partners effective 1 May, six of them women. Joint CEO Mark Rigotti said: “I am delighted that once again a significant number of our new partners are women, underlining our commitment to working towards our target of a 30% female partnership by 2019.”

30%

Herbert Smith Freehills' target for women in the partnership by 2019

It's also significant, we might venture, that **Briefing** doesn't get similar press announcements celebrating success in promoting greater diversity in business services leadership. Nevertheless, HSF could reasonably counter that it is also one of several firms named in 2016's Times top 50 employers for women. This year, moreover, it also won the paper's transforming culture award for its approach to agile working (and if you don't know what that means, check out this month's main feature). Regional managing partner for the UK, US and EMEA, Ian Cox, said: “It's great recognition of our strategic focus to increase the number of women in the partnership and in senior leadership roles.” But more importantly, Kathryn Nawrockyi, gender equality director at Business in

the Community (which partners the list), said: “They have demonstrated that working to achieve equality is about more than just creating ‘opportunities for women’ – it's about creating workplaces and ways of working that work for both women and men.”

Hard to argue with that. Meanwhile, **Pinsent Masons** – incidentally also on the list (18 new partners, eight of them women, 23% female partnership, target of 25% by 2018) – has recruited its first non-executive director: Pauline Egan was head of strategy and business management at the wealth management division of Royal Bank of Canada. Richard Foley, the firm's senior partner, said: “There is significant evidence that organisations which have an external viewpoint to test and challenge at board level outperform those that do not.” Egan arrives at the same time as the firm's first chief operating officer, Alastair Mitchell, who joins from **Holman Fenwick Willan**.

And finally, over at **Eversheds**, (once again a Times top 50 employer for women, with a 26% female partnership and 30% female board) there's more diversity in routes into the legal profession. The Trailblazer level seven solicitor apprenticeship scheme, in conjunction with **BPP University Law School**, is six years of work-based learning (paying £17,200 a year, if you're in London) and builds on 2015's Eversheds Aspire programme. Tricia Chatterton, BPP's director of legal apprenticeships, said: “More young people are now recognising the value of the skills they can gain through work-based experience.” Eversheds Aspire, incidentally, has both legal and ‘non-legal’ talent in its current 15-strong cohort. So we look forward to seeing a few of them in the partnership in a few years. ▴

Continental drift?

The war of words is escalating in the media – but what would a dramatic exit from the European Union mean for legal business strategy? Readers have their say



ANDREW WANSELL
Chief operating officer – Boodle Hatfield

The short term implications of a Brexit for law firms will depend on what it is you do and who you do it for. For some it will mean new lines of business as clients look to regularise the new arrangement of affairs between the UK, with or without Scotland, and the EU. Others will be watching anxiously to see if a Brexit changes the status of London as a place to invest, to domicile or to do business.

For most firms it will be a mixture of both. Whatever the outcome, the world will continue to spin on its axis, but if the choice made in June is to leave it will not be the same world.



DAVID HALLIWELL
Director of knowledge, risk and legal services – Pinsent Masons

It won't be dull! In the short to medium term, the fact of a Brexit is a massive commercial opportunity for law firms, and not just in the UK. There will be implications for contracts, regulatory advice, financial services, competition – you name it. The legal industry will need to help corporate UK and all those who deal or trade with it navigate through this. For individuals and firms with market-leading expertise, there will be a once-in-a-lifetime chance to shape the law and practice. That could be offset by a dip in transactional activity, of course, if a Brexit tips the UK back into recession, but I'll leave the predictions about that to others.



Do you have a view? Or indeed a topic for us to discuss in Lex Pop? Have your say – you can tweet us @Briefingmag or email briefing@lsn.co.uk



THE DEBRIEF

In October 2015, The Law Society published *The EU and the Legal Sector* – commissioned by Oxford Economics – which aimed, it said, to “start a discussion” about the potential impacts of an EU exit.

Speculation about a “Brexit bonanza” for law firms needed to be balanced against a less clear longer-term picture, it found – while the impact on specific firms was

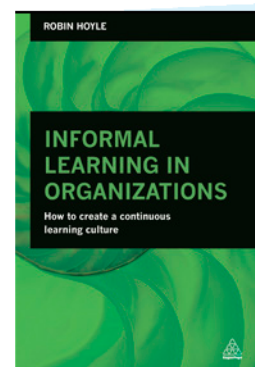
likely to depend on their client bases, as much as the economy. What, for example, does EU membership mean to the City of London’s global financial centre status? Would any firms relocate operations?

Briefing’s recent survey on this subject found 27% of readers in top 100 firms said a Brexit would mean their firm “significantly” changing how it works now.

READING LIST

Learning - we're loafin' it!

Penny Newman, director of people and knowledge, and Christina Johnson, performance and development manager, both from Lewis Silkin, find a book on reflective learning that rises to some legal business challenges



As a recent convert to bread-making [that's Penny], the author won my interest immediately with his opening analogy, in which he likened the process of informal learning to the process of making sourdough bread. The rest of the book didn't fall flat. It's written in an accessible, engaging style and held our interest. I was actually drawn to this title to seek help with the issues raised by the SRA's continuing competence regime. How that will play out with lawyers used to recording a set number of hours will be a challenge for L&D professionals. It requires a cultural shift from the mentality of training being 'delivered' to an emphasis on self-directed learning and individual resourcefulness. These aren't qualities perhaps associated with the regulated professions, where the emphasis has traditionally been on business development and utilisation, and where training may be attended under duress.

So I was delighted to find helpful examples from other industries already grappling similar issues – pharmacists, for example – which provided excellent insights. In the section on smarter social tools there were also good insights in the SAP and Assima case studies, but I agree with the author that it's difficult to see how this can be extended to non-software learning. The book also argues that we often measure inputs rather than outcomes and performance improvement. It addresses how we could

measure informal learning using KPIs that already exist and, by analysing the data intelligently, "identify where to prompt exchanges of knowledge, skills and practical behaviour." This was the most useful chapter, with its focus on efficiency and marginal gains and link to softer employee engagement measures.

One area that might have been usefully developed further [argues Christina] was the discussion around Generation Y's learning needs. In an education system dominated by the idea of being coached, where children are typically told what went well (and not) with minimal need for self-reflection, the challenge of creating a culture of learning that centres on resilience and self-sufficiency becomes central.

One option for this is the principle of 'gamification', hotly touted as the next wave of learning tech. It's played out in the book through an exploration of models such as Harvard's massive online open courses, and also the Open University. Hoyle acknowledges this, but debunks the idea of this as the solution. Instead, he makes an excellent case for 'blended' learning, suggesting that trying to find a single solution only dilutes the ability of L&D to be responsive and agile.

There were insightful case studies and suggestions for further reading. Overall we'd say this would be a useful addition to any L&D library, particularly in industries like ours, where regulation, resource constraints and the need for CPD collide. ▀

Publisher: Kogan Page
Date: September 2015
Price: £29.99
20% discount code: HRLPMB
through www.koganpage.com

"In an education system dominated by the idea of being coached, where children are typically told what went well, the challenge of creating a culture of learning that centres on resilience becomes central."



WHAT'S ON YOUR RADAR?

Daryl Atkinson, director of marketing and business development at Charles Russell Speechlys, reflects on what has changed as he continues building a post-merger brand



Q Can you summarise your role during the merger?

A Marketing and BD was the first support team to merge. It was important that we were able to present ourselves and communicate as a single merged firm from day one. The new visual identity and the beginnings of our new brand were being driven months before the date of the actual merger, and much time was also spent getting the legal teams together and establishing our 'go-to-market' groups. With the help of an external brand consultant, a distinctive, sustainable positioning was also developed, with much partner consultation.

Q What was your biggest challenge?

A Management and development of the team through the process has been a huge challenge. I made the early decision to base myself at the legacy Speechly Bircham office (I came from a Charles Russell background) to ensure that the team felt adequately supported. And I have had to ask a lot of them in terms of late nights, changes of roles, the introduction of new roles and development of new relationships, none of which was easy.

Q Did you need to introduce any new BD processes?

A Not really new, but we took the opportunity to revise many. For example, the way in which we plan and budget for our activity has had to change. This was a particular challenge, as there were slightly different approaches taken by each legacy firm and it was important to take on best practice from each. We've had to educate the firm in terms of understanding the expertise and experience of each legacy firm and we've also reintroduced the concept of a pipeline to these groups and emphasised the relationship with marketing plans. This is relatively new for some parts of the firm and has taken time to explain and gain buy-in.

Q How about technology?

A Other projects delivered include the rollout of Enable's Pitch Perfect document-builder tool. The ability to create pitches and presentations using standard information to a consistent style and format was always an ambition, and I was delighted to inherit this with the merger. Much work has gone into developing the databank of

information about the firm, teams and experiences, and time will now be better used in advising on the best approach to our opportunities, rather than getting bogged down in finding the last document created, cutting and pasting.

Q What was the brand development process?

A Working with external consultants we developed a number of workstreams, including client and intermediary development, culture, client service and employer brand. Each has a defined set of objectives and involves consultation with many people.

Q What's your best tip for managing people through a merger?

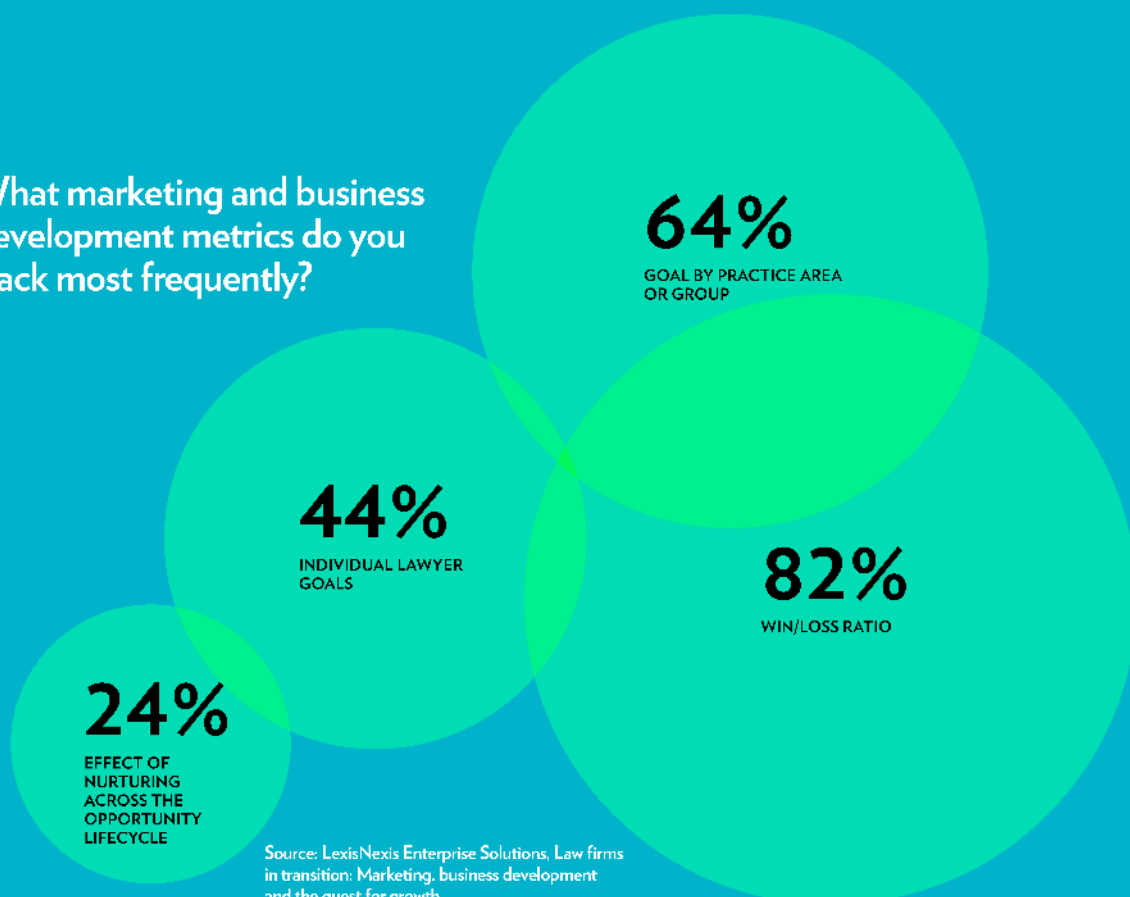
A Communicate. It's widely cited in the text books, but you simply can't communicate enough. A merger is a period of huge change. Change creates uncertainty. The best way to address this is through frequent and regular communication.

Q How did you celebrate the one-year anniversary?

A Cakes, mugs and balloons for all, and parties for each office. Great fun!

Database

What marketing and business development metrics do you track most frequently?



Source: LexisNexis Enterprise Solutions, Law firms in transition: Marketing, business development and the quest for growth

Who's in charge of BD?

66%

say the firm has the same person as head of marketing and business development

7%

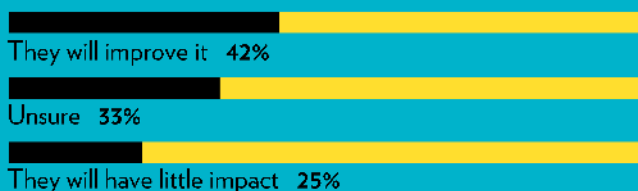
say their firm has no business development function

94%

say marketing and BD are separate skill sets

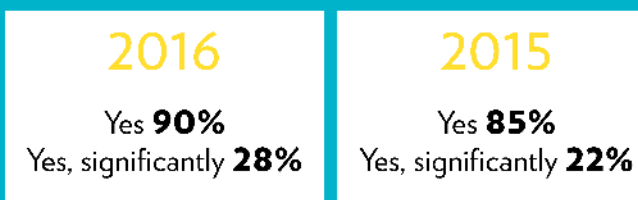
Source: LexisNexis Enterprise Solutions, law firms in transition: Marketing, business development and the quest for growth. Survey of 100 marketing/BD professionals worldwide

What will apprenticeships mean for social mobility in legal?



Source: Laurence Simons survey of 134 professionals

Is your industry exposed to corruption risk?



Which regions pose the most significant corruption risk?



Source: AlixPartners fourth global anticorruption survey (400 corporate counsel and compliance officers)

SPEAK UP

Voyage to value

Consider the key role of clear communication in both the creation and comprehension of value for money, advises Stuart Dodds, director of global pricing and legal project management at Baker & McKenzie



The recent debate about the 'price of law' and press headlines on lawyers charging up to £1,000 an hour got me thinking about a subject closely related, yet often overlooked – the true value the associated legal advice can bring.

As some readers may be aware, the perceived value of any product or service at all may be summarised in a pretty simple equation: Perceived value = perceived benefits/perceived sacrifice.

We probably do this quick calculation every day, working out the potential 'benefit' of a specific purchase compared to how much it will cost us or how much time it would take us to do (the sacrifice). I use the analogy with my wife that she would rather pay a decorator than have me do a poor job and take twice as long.

However, the ability to build or generate that value is less simple. The foundation lies in five key principles, often referred to as the 'five Cs of value'. They were first outlined by Ron Baker (and feature in his book *Implementing Value Pricing*).

There is how we *create* value for our clients; how we *comprehend* the value of our work to clients; how we *communicate* value to our clients; how we *convince* our clients that they must pay for value; and, finally, how we *capture* value with a pricing approach driven by the value, not just the cost of the associated 'inputs'.

On the (hopefully correct) assumption that creating value for our clients should be a prerequisite – through mitigating a

perceived or very real risk, for example, or generating additional revenue – what about the second point, how we comprehend value to clients? The checklist here could be very broad indeed. Each client may tick different boxes. Aligned goals and objectives between firm and client will factor highly, but so may effective communication, collaboration, and predictability of outcome and/or cost.

But it's the communication of value to clients that's so often most important in the discussion that follows. Although we all know that the points of differentiation most effective in a proposal are those seeking to address the specific client business problem (and which provide a positive bottom line impact), this requires us to actually speak to, and manage to understand, client requirements from the outset – rather than merely pitching with a generic proposal full of untested assumptions. I'd say communication also means arriving at a much better understanding of how we generate value across three dimensions – on behalf of the client's organisation, for the client themselves, and compared to other firms.

The better the communication of value, the more convincing it will be. All of which leads us nicely back to the 'price of law' – the underlying commercial approach or fee. At a recent event, I heard it put: "There's no such thing as a price-sensitive client, only a client who has grown indifferent to your differentiation."

A very useful reminder to us all – regardless of our price tag! ▴

The better the communication of value, the more convincing it will be.

Who follows the leader?

You may well not have the best person in mind to succeed you – so challenge your own thinking on the subject, says Chengwei Liu, associate professor of strategy and behavioural sciences at Warwick Business School



Succession is one of the most important decisions a leader will make to ensure the sustainable performance of their business in the long term.

There are many books and blogs offering advice on succession planning, but many leaders still make poor succession decisions. For example, more than 70% of family businesses fail after the first generation because the successors aren't competent enough.

One often-overlooked aspect in the process of choosing a successor is decision biases. Leaders aren't immune to biases. Worse, leaders can be overconfident in their decisions and their errors aren't challenged. So here are three tips for helping leaders overcome common biases.

1 Give failed candidates another chance. We don't like failures. Failed people give us negative impressions, so we reduce our interactions with them. But experience shows us that good decisions can sometimes lead to failures and bad ones to successes. There are many external factors not in

the control of a senior manager that can lead to a booming business or bankruptcy. What if some failures are simply unlucky, or your candidate ventured something different and novel that you didn't want to take a risk on? You'll likely end up with the mediocre if you select only the candidates without failures. Overcome your *success bias* and give the failed another chance – they may be the hidden gems for rejuvenating the organisation.

2 Be suspicious about candidates with unanimous support. We like consensus, but the ancient Jews knew that if a suspect on trial was unanimously found guilty by all judges, that suspect was likely to be innocent. They'll be acquitted, because unanimous support indicates that there must remain some form of undiscovered exculpatory evidence. Given that everyone has their own preference and bias, unanimous support is too good to be true. It's likely to indicate hidden processes, such as that the candidates are better at politicking and compromising than making important, difficult choices.

Unanimous support can also signal that your board members are too similar-minded. Overcome your *consensus bias* and maybe even choose a candidate some of your board members hate. He or she is likely to be hated for good reasons – and can shake things up.

3 Demote your best executives before succession. A great Chinese emperor sent his best chancellors to prison for trivial causes before his death. The reason was to protect them from the political conflicts of a succession – but also to give the young emperor a chance to gain the loyalty of these seasoned chancellors again by promoting them afterwards. This was a difficult decision – most people thought the emperor had lost his mind! To ensure your successor has the best executives, particularly those who lost in the successor competition, leaders can learn from the Chinese emperor. The challenge in doing so though, is to overcome your *ego bias*. Your decision will be ridiculed, but it's likely to be good for your successor and the longevity of your organisation. ▴

TOO MUCH MOTIVATION?

No transformation boss sets out to change things for the worse, we're sure. But a recent study from Norwich Business School, published in the journal *Work and Stress*, finds that when "inspiring" leaders encourage "self sacrifice" among their team members, they could inadvertently place the productivity of everyone in peril.

Professor of work and organisational psychology Karina Nielsen said that there was a "complex" relationship between transformational leadership and rates of sickness absence – which

can increase if employees are encouraged to "perform above and beyond the call of duty" when they are unwell.

"This pattern may be a particular problem in organisations where managers are rated according to their ability to control sickness absence levels," she explained.

The authors of the study recommended that transformational leadership training include building coping skills and resilience into personal development, as well as incorporating health and wellbeing understanding into a team's vision and objectives.



Features

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Game changers

Workplace transformation is more than a race to using less space – but that can help, say legal leaders

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Shares secrets

Neil Smith, finance director at **Gateley**, talks about how he has adjusted to a more vocal life in the public eye

THE BIG IDEA

Game changers

A change might be as good as a rest, but that doesn't mean you can sit down yet. There's no let up for legal leaders tasked with transforming their firms' future fortunes through 2016

Words Richard Brent

The only constant is change, they say – if they're prone to a nice quick cliché as a management maxim – and there's no denying large law firms appear to be on a transformation spurt. The evidence: were **Briefing** to be that kind of title, a version of this piece could probably have been written relying on little more than the press releases flowing in from firms piloting 'agile' working – insisting they're enabling employees to seize more control over how they work each day.

This is more than rearranging the desks, although some change projects may well involve removing a few and forcing fee earners to learn to share. Management policies and systems must also be robust enough for different people to be

working from home – or out on the road – each day, perhaps at ever-shorter notice, but certainly with no change to quality. And that's before the surge in process management, client collaboration and continuous improvement initiatives all vying to usher in the most exciting efficiencies.

As, let's be clear – however empowering it is not to be desk or monitor-bound, there's a very simple cost advantage in not having everyone in the office. Often accompanied by an open-plan office layout, embracing aspects of agility such as desk sharing means lower rent. Commercial property consultancy CBRE's Law in London report says UK firms in the CBRE Legal 100 (the 100 largest firms in London by space occupied) successfully saved space per employee to offset rent rises for the first time in 2015.

Net floor space had been reduced by 9% since 2012, saving a combined £7m in rent. With a 2% drop in the number of fee earners anyway, and each remaining taking up 8% less space than before, UK firms won a rent reduction of 1% per fee earner (down to £20,200).

More strikingly, when you include international firms, going open plan in London takes up 23% less space, and costs 20% less, per fee earner (an average £21,800, compared to £27,000 for a cellular set-up).

No choice but to change

Sounds good – but of course, firms need to convince their people that taking up less space for the common good is just as good for them as individuals.

Abby Ewen, IT director at BLM, says it's likely to have helped that her firm's big London office move in 2015



wasn't about cost cutting.

"In our case we found the space that we wanted first – an office with a great view of the Lloyd's building from our client lounge – but we couldn't all fit into the floor space.

"People can feel particularly irritated if they feel change is forced on them to save money – but here they could see the strategic thinking."

A six-month schedule for moving, however punishing, was also on her side. "There were some very quick decisions, and people probably didn't see as much in the background as they

might have done."

Partial hot-desking, meanwhile, was a no-brainer. There were now 270 desks for 340 people. Everyone sits open plan, and has exactly the same desk and chair, says Ewen – just not necessarily every time they're in the office.

"There was a detailed process of calculating how much a team's

daily presence, including part-time workers, would need to shrink. We had to decide how often people would therefore work from home, or hot-desk, to make the numbers work.

That challenge continues as the business grows. "If a practice suddenly wants to hire a great new rainmaker, there's no

demanding the office manager finds a new desk,” Ewen laughs. “There aren’t any. They have to make the existing team more flexible instead.” The firm rolled out a lot of laptops, she says, and each hot desk comes with a docking station.

Paper sent packing

But people weren’t the only resource to have to leave the building. “We scanned around three million documents before moving, and everyone now has a fixed paper allocation,” says Ewen. That’s basically as much as they can cram into a personal locker if they so wish – so long as they also allow space for their ‘hotbox’ (the staple stapler, pencil case and so on).

At the same time, rapid adoption of remote working made the case for investment in the new breed of unified communications – instant messaging, mobile videoconferencing, desktop sharing and presence functionality. “We knew presence would be essential for the new process of supervision,” says Ewen. But those in the office obviously also get to use it.

Agile hot-deskers at BLM need to be at a certain stage of

their careers, partly for quality control, and even then of course to demonstrate the arrangement is a practical one.

“One equity partner can’t even get broadband with a satellite connection – so that one was a non-starter,” she says. Everyone also completes online assessments of their home working space for health and safety, among other factors.”

Richard Jones, head of transformation at Hill Dickinson, is also on the paper-light trail – but he anticipates a rather longer change journey.

“We’ve teamed up with a boutique development house to try something brand new – bringing all tools for both fee-earning and support teams into a single solution,” he says. “That’s everything from payments to workflow, document production and third-party document sharing.”

The tool has been in the production environment for three months – but he says the total transformation, which includes more mobility as a driver, may take twelve times that long.

“Consider that we probably printed in the region of 19.7 million documents in 2014. The new software’s largely designed to bring documents together to support and encourage working much more electronically in all respects.” It’s especially important for volume areas, he says, but as at BLM, it’s a firm-wide roll-out.

Behaviour change won’t wait until then. In the meantime,

Jones is already tackling the volume of typing sent to secretaries – and frankly, just wants people talking more. “Change can be as simple as making a call rather than sending a letter, but it adds up to dramatically lower cost,” he says. The firm’s also trialing voice-to-text dictation.

Engaging the fee earner community is a top challenge, he admits – and his immediate team of four expands to around 20 trainers during change’s “peak periods”. Research – and of course, planning – were key to getting paper-lighter process off the ground.

“It’s important to put a price on the size of the opportunity and anticipate problems upfront. You need solutions to what people see as barriers, such as client-driven objections.”

Like Ewen, Jones also finds it’s easier for employees to adjust to change when it’s unseen. Far from a tight timescale for a huge move, however, in his case that means ideally doing little and often. He advises moving from ‘waterfall’ planning up front to becoming more agile in setting about change.

“Try to sell smaller changes every day. You can’t always avoid pain, but where you can tweak things slowly over time, letting consequences settle, people are less likely to be negative.”

Flexible focus

On the other hand, it also sounds like something compatible with Jones’s interest in embedding ‘continuous improvement’. Here

“It’s important to put a price on the size of the opportunity and anticipate problems upfront.”



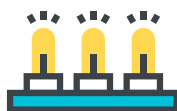
“People can feel particularly irritated if they feel change is forced on them to save money – but here they could see the strategic thinking.”

Abby Ewen, IT director, BLM

the change journey is never really complete, but it certainly needs to be noticed in order to make incremental measurable advances. In some cases, people can even be encouraged to try change on for size as they go.

“The traditional law firm goes in no direction at all unless it has tested every connotation, but if a change doesn’t make things better, you can always try something else,” says Jones. “One could also take the view that a benefit for 80% of our demand on a new process is quite acceptable. You’re travelling in the right direction, you can measure it, and that’s good.”

Another firm on the hunt for continuous improvement efficiencies is TLT. Director of transformation Jeff Wright says in creating its new group, TLT ReSource, the firm took the “unusual step of focusing on opportunities that blend traditional administrative and some legal work together, rather than first looking at business support.” Split into service-based teams, the result is that ‘process’ can be as agile as people.



“Success always depends on leadership,” says Wright. “For ReSource we had excellent partner support, which allowed some of the firm’s talent to take a leap of faith into a slightly different career to lead it.” But people move in both directions. “We have used secondments to help the service teams understand their internal clients and to let others experience a shared service environment for themselves.” One associate who set up a team focused on document review and collation has since been promoted to partner in the firm’s commercial dispute resolution team.

“We have also encouraged movement between shared service teams,” he says. “People entering as administrators have already been promoted to legal assistants. Our teams are gaining transferrable skills, enabling inter-team movement to meet peaks in demand.”

Notably, while underpinned by documented process to ease transition, each team is also expected to maintain a continuous improvement plan – which may identify positive processes changes that could

otherwise slip under the radar.

Richard Jones at Hill Dickinson is another who certainly keeps one eye open for unexpected advantages. He has found some evidence that changing workplace demographics (and lifestyles) are such that younger fee earners could be more productive typing for themselves than using any dictation arrangement at all.

Another big advocate of finding continuous improvements in how legal work is resourced is Clifford Chance. New chief operating officer Caroline Firstbrook says that due diligence on one cross-border merger needed information from 20 business lines across 25 jurisdictions. But combining workflow redesign, some automation and the firm’s lower-cost centre in India, the end cost of the more “traditional” route was halved, she says.

But Firstbrook also highlights the importance of prioritising large change projects.

“There are always great ideas bubbling up here, but we’re particularly careful to manage the impact of change on fee

earners, as it can be a huge source of distraction. What's the likely benefit to the firm and client? How much effort will it take to implement? What's the right scope – a pilot, regional or global rollout?

“Timing and sequencing are also considerations. Some changes are dependent on other capabilities being present, and payback time can vary from months or years. You need a coherent and integrated programme that combines quick wins with longer-term returns, but doesn't take too much critical fee earner time away from client service.”

Taking comfort

Ultimately then, do we or don't we want people to see change in action? Have we stumbled on a bit of a change paradox?

For BLM's Ewen, for example, a concern in moving BLM fully open plan was ensuring the corporate 'comfort' wasn't shaken too harshly. Ironically, in order to do that, she needed to highlight all the ways in which working practices had indeed changed.

“Some people had been cellular since they qualified, and what you really don't want is a

“There shouldn't really be an assumption that your desk or a meeting room are the only places you'll ever be working.”

FIVE TOP TIPS FOR TRANSFORMERS



TLT director of transformation Jeff Wright says:

- 1 Create an understanding that change has to happen, and it has to happen now. That's easier in situations with a clear deadline than where you're essentially asking people to get 'better'. The latter requires greater persuasion, so it needs more energy
- 2 Any head of change coming in from outside has an even greater need to find the right people to lead it. Find and place the people passionate enough to be the 'face and voice' of change
- 3 Build up your evidence base of short-term wins. Regardless of our personality type, we subconsciously 'buy in' on emotion. Clear vision can go a long way to help the sell
- 4 Tailor the communication plan to the project. Transformation that involves frequent visible change offers opportunity for more dynamic updating – such as photography and video, as well as email and in person. Service changes are likely to be more shrouded until the green light, so fix onto client wins and be extra focused on feeding back the improvements
- 5 Plan your comms pipeline well. If you're deliberately making lots of 'noise' before a launch, it mustn't fall flat when it's time to deliver.

situation where people feel that an open plan layout prevents them from doing things.”

Particularly crucial, she says is a good designer – to effectively offset aspects of the environment that could cause friction.

“You want 'neighbourhoods' – fixed paths through groups of desks, so people aren't continually disturbed by people noisily passing.”

Printers are also sectioned off – and the easily stage-frightened can easily pop into a one-person telephone booth to make a call.

Other new rooms, of different sizes, are decked out with videoconferencing. And in some cases a more comfortable change is precisely the point. BLM has introduced “high-backed mini sofas” around breakout tables for the less formal meetings that might, in fact, stimulate more productive collaboration than took place in bygone days behind closed doors.

Many London business services employees at Clifford Chance have also gone open plan – and notably, all in it

together – for the first time. “We have flexible seating, collaboration spaces and a significant investment in technology for greater mobility,” says Firstbrook. “It’s already driving higher levels of collaboration across functions. That allows us to solve problems faster and add more value.”

Meanwhile, as demand for TLT ReSource has increased, the teams have at times been split between two sites in Bristol (and later reunited). An office lease in the city nearing its end was an opportunity for the firm to consider whether more agile working might be an answer for it, too. The firm took two new floors in one of its buildings, plus adding one right at the top (as at BLM taking advantage of some room for impressive views.)

“My description as a ‘glass box’ doesn’t quite do it justice,” laughs TLT’s Wright. “But this is one of the taller buildings in the city, so we’re having a fully glass floor with an open terrace. We’ll have rooms for between six and 128 people – and plan to use it for internal seminars, as well as

hosting clients, of course.”

Down at the coalface, meanwhile, it’s open plan with a twist. “Large open plan areas don’t always have sensible desk configurations,” Wright says. “There shouldn’t really be an assumption that your desk or a meeting room are the only places you’ll ever be working.”

Again, getting comfortable has a part to play. TLT has created ‘cwtches’ (pronounced ‘cootsh’). Unfortunately, there’s no literal translation of this familiar Welsh word (says the Urban Dictionary), but the nearest equivalent is “safe place” – although Wright has a better one: “a cuddle.”

“We’ve groups of high-backed soft chairs – not settees – that rise right above the head surrounding a mounted screen and a table. You can have up to six people collaborating with a degree of privacy. Some people will always prefer a desk, but we wanted to create options.”

That’s on top of the quieter meeting rooms for confidential calls or concentration – and bigger kitchens for the opposite.

“Organisations perform more effectively if they do what they can to adapt to human needs.”

“There’s this concept of having good ‘bump’ space,” he says. “More opportunity for discussions as the kettle’s boiling.”

The hot-desking future is less defined, but a handful of volunteers have embarked on a pilot to ensure the firm’s well prepared where it’s practical. “It’s hard to see it ever suiting every work type – volume, for example, where team proximity is crucial for supervision. But we’ll find champions to show the rest of the firm that it can work well.”

Is everybody happy?

Some research suggests the collaborative advantages of open-plan working may be overstated. A 2016 study pre-

“Some changes are dependent on other capabilities being present and payback time can vary from months to years. You need a coherent and integrated programme.”

Caroline Firstbrook, chief operating officer,
Clifford Chance



sented to the annual conference of the occupational psychology section of the British Psychological Society found that personality differences were likely to play a big part in satisfaction with the way the modern office is heading.

It'll be no surprise that it's introverts who are likely to be unhappy working with less privacy – but the clash of types could also cause conflict in areas such as a firm's insistence on a clear-desk policy. Desk sharing and hot-desking, meanwhile, were unpopular with both personality types.

John Hackston, head of research at business psychology consultants OPP, says: "People are more motivated to give their best in an environment more congenial to their personality – but the reason to think hard about this isn't just that it's nice to be nice to the people that work for you. Organisations perform more effectively if they do what they can to adapt to human needs.

"As for hot-desking – people find ways to circumvent a system. They can still just go to the same desk when they arrive and congregate in the same groups. You can't expect to miraculously increase communication by making people share desks, and there is no evidence it happens."

Hackston doesn't deny the

"Personalities change as people age and develop – and that will affect how people want to work."



THE DEBRIEF

Law firms that want immediate efficiency gains can start with two key overheads – people and the space those people take up. But they can also usefully look at the interaction between these two cost lines.

Firms are still investing in office moves, but in some cases they're even purchasing spaces that are simply too small for them. This forces the issue. In order to fit all their talent into the space available when they need it, they need to find new ways of working.

One trend is the move towards open-plan desk arrangements, according to property consultancy CBRE. Its fourth annual Law in London report says firms with open-plan models take up 23% less space and pay 20% less for it than firms that remain more 'cellular'. And London law firms in the 'CBRE Legal 100' have successfully reduced their average rent per fee earner by 1% over the last three years as a result.

However, as well as removing the walls and reducing desk and storage space (including ideally limiting use of paper), firms can tell people to work from home. Flexible working is no longer just an employee request that businesses must strive to meet to keep their talent happy – it also helps the business to control its costs. With forward planning, clear process and the technology to connect easily in real time, there's no reason an agile workforce can't be just as effective at home or on the move.

Open-plan offices can also pose problems though – people often like their privacy and don't like change. As in any business change management exercise, communication – both channels and the messages delivered – need choosing with care, while also being as transparent as possible. The spaces themselves, meanwhile, can be designed to offset employee concerns, not only with some nice new furniture, but also options and opportunities for them to work with greater autonomy.

cost advantages of reducing office space with some strategically-placed hot desks – but just as clearly, no firm wants to be offsetting that with poor performance for any reason.

For businesses that do go down the route, one tip, he says, is to offer (maybe even encourage) any opportunities to personalise a space. There's office furniture, for example, such as a box drawer you can pull out and place on your desk each day, even if that desk changes. He also advocates a "blended office" that sounds not dissimilar to TLT's cuddle pods – cubicle "approximations" that can partition people when they most need quiet time.

Meanwhile, ever more age groups rubbing shoulders in the workplace will only make rigid rules about use of space less efficient.

"Our research on personality shows that it isn't so much that the combined workforce today is very different from the workforce we had 20 years ago – but that people of the same age always have some similarities to each other. Personalities change as people age and develop – and that will affect how people want to work."

It's a good reminder that while firms may need to transform themselves, they shouldn't forget there are some forces beyond even their power to change. ▀

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BRIEFING PEOPLE

Shares secrets

As Gateley gets ready to celebrate one year following flotation, how has Neil Smith adjusted to life as the first FD of a UK legal PLC?

Words Richard Brent

The numbers are well known. The facts are, after all, impossible to hide. There's the initial public offering, in June 2015, raising £30m (£5m for the company, £25m for the selling shareholder partners). Gateley achieved a market capitalisation of £100m as shares slightly overshot the 95p placing price. To put that in some broader context, only one third of AIM IPOs in 2015 raised more than £10m.

There've since been further digits to digest – profit before tax up 11.5% for the six months ending 31 October 2015, for example, with full year results now just around the corner.

And some more figures – according to Neil Smith, Gateley's FD, the firm picked up 65 calls from journalists within four days of last year's legal history-busting move. He didn't need to deal with those himself, of course. He rarely gives interviews. Nevertheless, over the last year and a bit, this is one legal business management man who certainly couldn't afford to be lost for words.

"Twice a year I now need to stand up in front of all of those research analysts – next to our CEO and acquisitions director – and answer questions that will inform how they write up a view on our stock. You need to think about the shape and structure of the business nearly constantly. But that's good for the business. We're forced to answer questions that many firms just won't get asked."

In May 2015, Smith toured more than 60 prospective investors in just 10 days to pitch, Dragon's Den style he says, for their investment in the first place. Then, after reporting Gateley's first full year results, there will be another two- or three-day roadshow for external shareholders to update them on how the business is performing,

followed by a first AGM.

Diverse advantages

But although the greater transparency demands means more word wrangling for the top team, Smith says the broader appreciation of financial management that's benefiting the firm as a whole.

"Our employees are shareholders, but our partners are also now employees – a known cost passing through the payroll each month. That brings real transparency to margins and overall costs, and changes focus away from turnover and on to profit. It's another step in making it easier for everyone to be more appreciative of the value of any money they spend.

"There's also more collective interest in the overall financial performance of the business, because everyone – including our support staff – has their stake. We're now in the process of introducing further share option schemes to enhance that sense of ownership."

This, Smith says, is the incentivisation strand of the firm's growth strategy as a public company – and the thinking is that it ought to boost the "teamwork, engagement and motivation" that make for more productivity across the board (not to mention happier shareholders).

"It's also a way to attract talented support specialists into the business. How many others have equity as part of their package?"

But Smith says business services teams also stand to benefit from another strand of the firm's growth strategy – diversification. Gateley is targeting complementary businesses that could also make clients' lives easier.

Take business development teams. "Acquired businesses may approach prospective clients in different ways, bringing a fresh perspective for



■ FIRM FACTS

GATELEY

Offices: 11
Countries: UK; UAE
Global revenue (including HBJ): £80m
Headcount: 829
Ratio, fee earners to business services staff: 1:3 (approx)

those who've long worked in legal. The opportunity to learn new skills should be quite an attractive prospect to our future pool of talent, and the support teams in particular."

The firm made its first full acquisition – tax incentives advisory company Capitus – for £2.72m in April 2016.

"When we're working on projects for clients, we're continually interacting with other professionals about their input into the overall project," explains Smith. "If we can offer a wider package of professionals 'under one roof', that has to be a benefit to them."

Investing in the future

Decisions about IT system investment will also now be front of mind for a while as the firm works out what capabilities any such new joiners need. There's no shopping list to reel off, but the firm's in the process of reviewing financial systems for future-robustness. "The critical criteria for anything we bring in is that it's clearly both client- and people-focused," he says.

Meanwhile, as well as facing investors, he's also adjusting to wearing a larger governance hat as the

new company secretary.

"I have to manage and monitor staff who want to trade shares, as well as ensuring all board meetings are properly minuted. We had to do that before, of course – but now there are just more of them, and there's some more formality around it." There are the mandatory audit, nominations and remuneration committees – as well as three non-executive directors to throw into the strategic decision-making mix.

"Working with non-execs brings considerable valuable insight and experience from how other PLCs operate," he says. "I'm learning a lot from them myself, and their advice, support and independence are a real asset to the firm."

It can't be denied that a year is still early days for the UK's first listed commercial law firm – only a week after our interview the new website finally went live (and not before time, you might think, with around 80,000 visitors to the old one during those first four days). But the big difference is the mandatory investor relations section.

One final fact: a tenth of the gross Placing proceeds on the big day back in June came from Gateley's own clients – so they'll certainly feel the benefit of that IT investment. ■

To: Lawyers

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11.15am, 25/04/2016

We're missing time for this month. Can you please review?

3.42pm, 26/04/2016

We need updated time by Friday. Please make this a priority.

9.42am, 27/04/2016

Your time still needs completing, thanks.

11.54am, 28/04/2016

PLEASE update your time!

12.13pm, 29/04/2016

You're still missing hours!

2.24pm, 29/04/2016

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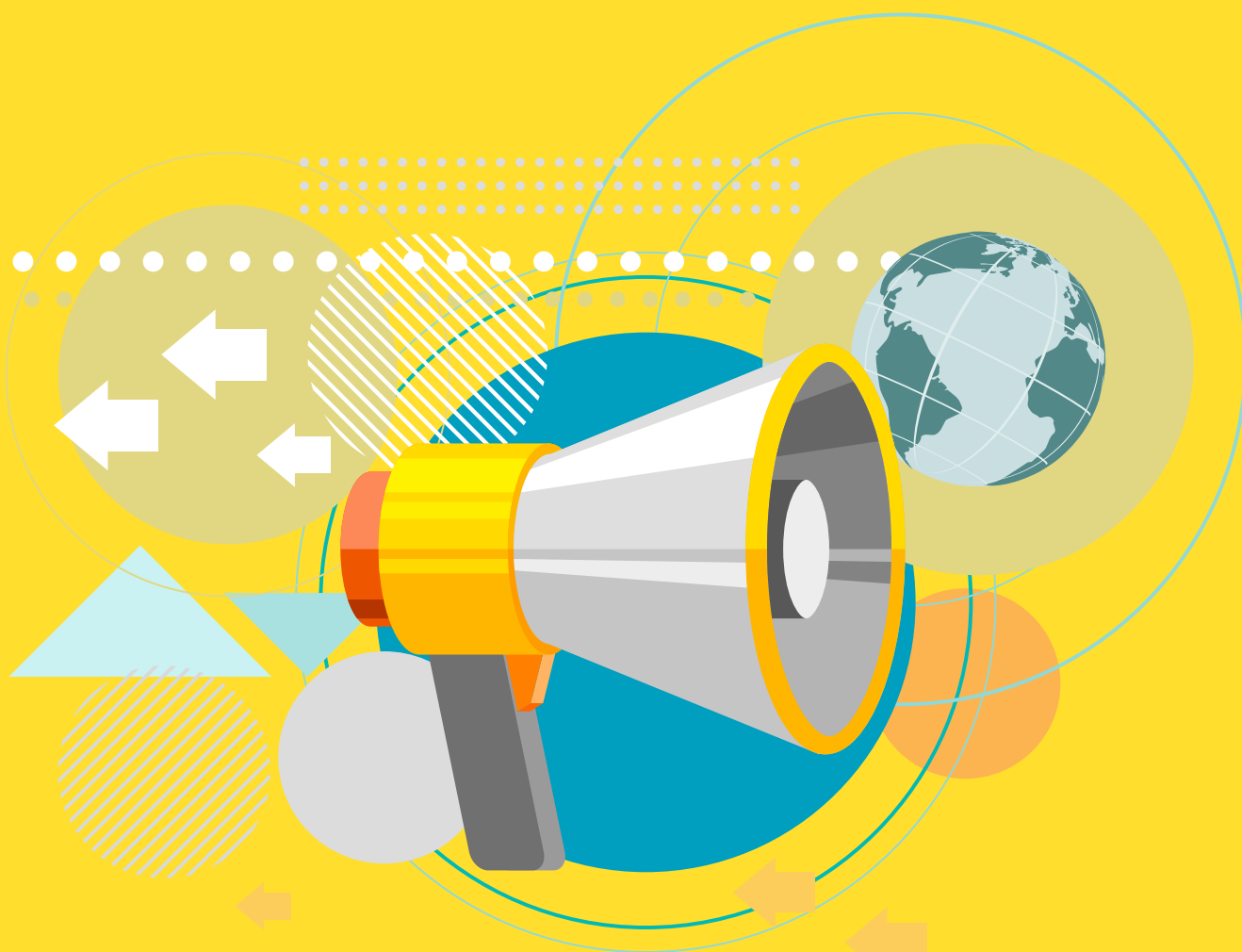
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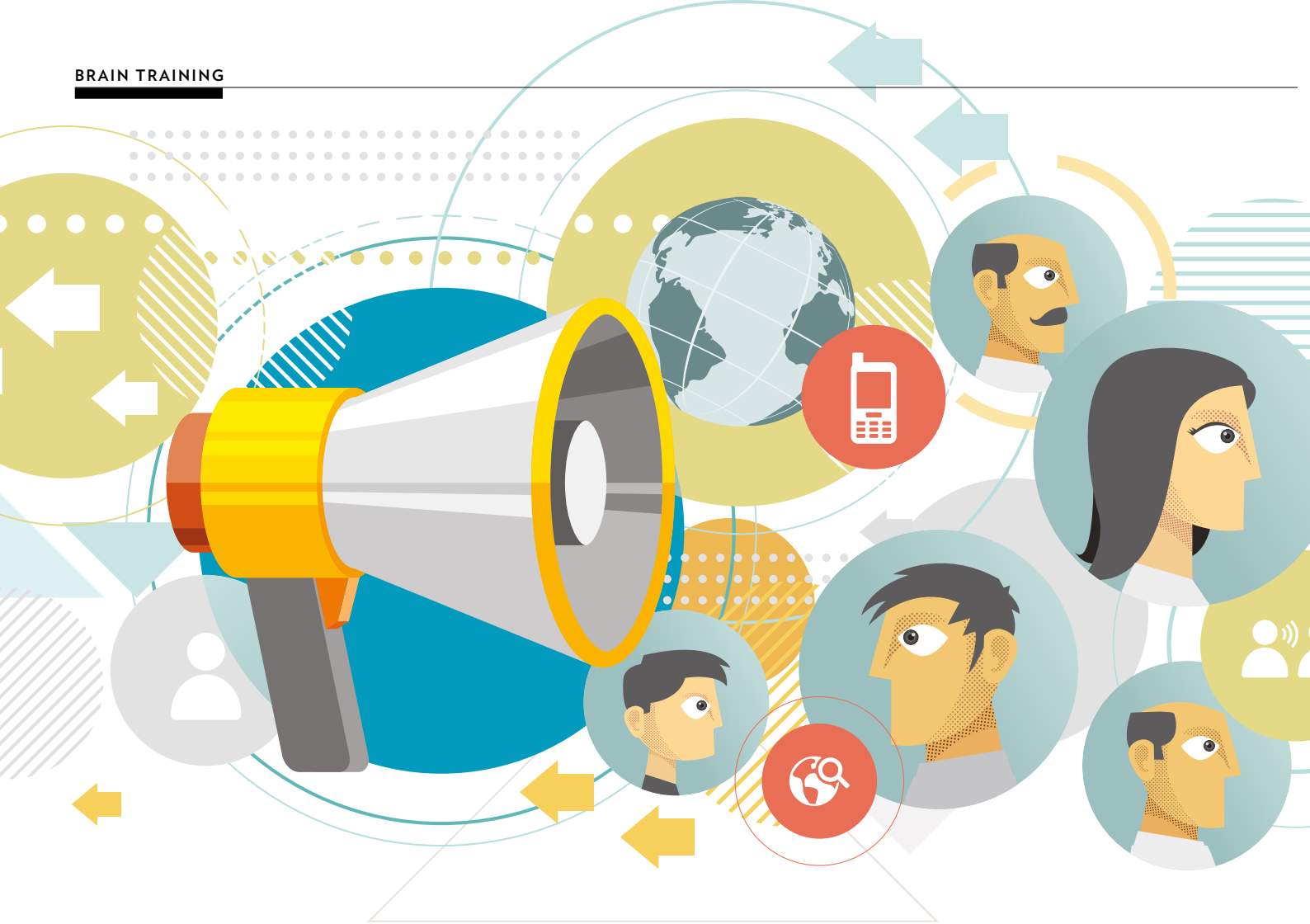


Brain training

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Whistle while you work

Cathy James, chief executive of **Public Concern at Work**, offers advice for putting a whistleblowing policy in place – and persuading people to use it


BEST PRACTICE

Whistle while you work

Cathy James, chief executive of Public Concern at Work, provides a few pointers for firms committed to ensuring that their own houses are in order

The lawyer who represents himself has a fool for a client (so they say).

When it comes to litigation and other legal matters this must be true, but does this translate into the governance of law firms more broadly? Organisations that are full of well-educated individuals, who regularly advise others on how to conduct their affairs, should be run with the same principles they advocate for their clients. But is this true in practice? What kind of reporting culture exists in most law firms? Does such a thing even exist?

To be fair, most firms are well run. They must operate at the highest levels of integrity and have gold standards in governance. But they all face the risk of unknowingly harbouring malpractice. No organisation can remove this risk altogether, which is why whistleblowing

arrangements, which operate as a safety net for when the normal reporting mechanisms don't work properly, are so vital. While the risk of malpractice in firms is likely to be very low, if things do go wrong the results can be catastrophic. That's in relation to the wrongdoing that a corrupt lawyer might engage in, and the clear damage this can cause the business, but also reputational risks around the security of client information (clearly illustrated in the very recent case of the largest leak of documents in history, the Panama Papers).

Pressure building

While it may be an issue that has not had very much attention from the regulatory authorities, it is unlikely that this status quo will be maintained for much longer. The law is about to change so that all prescribed persons named in the whistle-



blowing legislation, the Public Interest Disclosure Act 1998, will be required to report on whistleblowing activity in their sector. This means that those regulators will be paying closer attention to the activity at, and the reports received by, the firms they regulate. In financial services, new rules from the Financial Conduct Authority already require considerable change in the way financial firms deal with this crucial issue.

Are law firms geared up for similar change? They should be – the SRA has also committed to treat the victimisation of those who report misconduct or wrongdoing as a practice falling foul of the solicitors' conduct rules (specifically rule 10.7).

Finding a leading edge

Good whistleblowing arrangements can help to alleviate the risks, and should ensure that channels for reporting wrongdoing

are in place and that staff feel confident and able to trust the process. Experience tells us that leadership is fundamental for organisations that are serious about ensuring their whistleblowing arrangements work in practice. However, building trust in those arrangements requires both thought and energy from those who want to know what's going on. Failing to take whistleblowing seriously will trickle down and impact on workplace culture to make it less likely. From banking to healthcare and the media, we have seen the devastating impact of failing to inspire staff to speak up when necessary. The legal industry is not immune to such scandals and recent headlines show that they too can be in the news for all the wrong reasons.

So what could firms do to improve matters? In other sectors, particularly financial services, an independent

PARTNER PROTECTION

In May 2014 the supreme court created a new precedent, when it ruled that partners should be protected under whistleblowing laws, the same as other employees. In a long-running dispute (now settled, out of court), solicitor Krista Bates van Winkelhof had alleged she was sacked by Clyde & Co after raising concerns about bribery at the firm's Tanzanian associate firm, where she had worked. In September 2012, the court of appeal had previously ruled that members of limited liability partnerships were not workers under employment legislation. Bates van Winkelhof had been a fixed-share equity partner. However, the supreme court granted permission to appeal.

Judge Baroness Brenda Hale said: "One can effectively be one's own boss and still be a worker," citing the example of a controlling shareholder who was also the chief executive of a company. "Subordination" was not a universal characteristic of being a worker, she added.

The judges did not, however, rule on whether Bates van Winkelhof had a valid case – which the firm denied.

Public Concern at Work intervened during the appeal, with lawyers acting on a pro bono basis. Chief executive Cathy James said: "Cases such as the collapse of Arthur Anderson and Enron demonstrate the need to encourage all workers to speak up before damage is done."

THE WHISTLEBLOWING CODE OF PRACTICE

The Whistleblowing Commission (established by Public Concern at Work in 2013) developed a code of practice to provide some practical guidance on the topic.

Advice includes consulting staff in advance of producing written procedures that are both readily available and well communicated to all. The document should include example scenarios and contain a list of individuals and bodies with whom employees can raise concerns over and above immediate managers, such as board members or the regulators.

Employees who do blow the whistle should be assured they won't suffer detriment unless information they provide is found to be known to false, and they should receive communication about

the process, such as an estimate of its duration and who will be handling the matter for them.

However, a single individual should also be identified as having overall responsibility for implementing an effective whistleblowing policy at an organisation, managing a training programme and periodic audits. And they should be overseen by the board or the firm's audit or risk committee. Audits should include feedback from people who have used the arrangements.

The code also recommends that organisations review the effectiveness of whistleblowing policies in their annual reports. These should include data about concerns raised that year and details of any relevant litigation.

non-executive director (NED) is recommended to ensure that there is independent oversight in governance and reporting structures. NEDs may play a vital role in both handling the employees' concerns and reviewing and auditing the effectiveness of the whistleblowing policy. Outside the day-to-day management teams, they offer both independence and influence in their role as the custodians of good governance.

They are able to effectively challenge executive decisions and step in when problems or disputes arise. And the role of NEDs was explicitly recognised by the Whistleblowing Commission in 2013. The commission highlighted the need for them to be included in whistleblowing arrangements themselves, and called for greater legal protection for NEDs under the Public Interest Disclosure Act. At present, an executive director who is dismissed, forced out or victimised because he or she justifiably raises genuine concerns about corporate wrongdoing is protected. They will receive an award of

compensation based on what is just and equitable and on any actual financial losses suffered. However, no similar protection is afforded to NEDs, as they are not employees or workers in law.

Place of a code

The Whistleblowing Commission also recommended the implementation of a statutory code of practice – and this serves as a useful document for any organisation introducing, revisiting or auditing their whistleblowing arrangements. To boost its use, Public Concern at Work has launched a 'First 100' campaign, appealing to organisations from all sectors to commit to the principles and work toward compliance over time. Organisations such as RBS, ITV, Network Rail and a wide range of charities and public sector organisations, as well as the Civil Aviation Authority and the Nursing and Midwifery Council, are already signatories. Feedback has found that the campaign gives them the confidence to detect and address wrongdoing at an early stage, offers a framework against which to review and benchmark their arrangements, and reas-

sures employees the organisation respects whistleblowing.

Good whistleblowing arrangements can act as a cultural barometer. A healthy and open culture is one where people are encouraged to speak up, confident that they can do so without adverse repercussions, that they will be listened to, and that appropriate action will be taken. This is to the benefit of the organisations, the individuals and society as a whole. ▲



THE DEBRIEF

It's important employees are confident that they can raise serious concerns about the conduct of their organisation so that risks that could cause a business grave financial or reputational damage are more likely to come to light. It falls to leadership to clearly highlight both the value and process of whistleblowing to staff – and there is now a code of practice, covering issues such as monitoring, communication and resourcing.

The independent oversight of a non-executive director can also help. An NED can be an alternative conduit for the concerned employees to speak out while also rigorously monitoring policy compliance.



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INDUSTRY INTERVIEW

From self-service to a smile

Self-service reporting must prove itself at the bottom line – both the quick wins of missed connections and the benefit of slower cultural change, says Barry Talbot at Informance

Law firms have traditionally been places of classically formal structure and relentlessly clear hierarchy. So the idea that people would be freed to create ‘stuff’ for themselves if they found it useful – maybe from scratch, with multiple variables, and in the style they think best – might raise a wry smile. What about the brand guidelines?

For example, could a firm realistically implement self-service reporting? This – as covered in the April issue of **Briefing** – proposes to free information workers from the tyranny of the spreadsheet and turn data into much more flexible visuals, more likely to get the most important business messages across. Visualisations can be tailored to the specific needs of groups or individuals – and therefore, say the providers, are more likely to get the most pressing jobs done.

“The rise of self-service reporting is leading to a new breed of business analyst emerging,” says Barry Talbot, managing director at Informance. “Lots of law firms will now have teams of business

PHOTO CREDIT: JONATHAN GOLDBERG

“The rise of self-reporting is leading to a new breed of business analyst emerging.”

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analysts working through data, but it's fair to say that most are probably still more reactive than proactive with it.”

A tendency to be risk-averse is at least one (understandable) cause – a nut that may have recently become even tougher to crack thanks to Mossack Fonseca. “The biggest obstacle is always confidence in the base data's appropriate governance,” says Talbot.

Getting the message

If that's tackled, however, Talbot says the time's ripe for a cultural revolution in how firms manage their data. And competition-aware legal business ought to easily appreciate the gains. Liberating the analysts to work more creatively can directly influence the lawyers, and of course business development, bringing money through the door.

“When we do a proof of concept, we'll take a major financial key performance indicator – perhaps margin realisation, which many firms will still only manage by department rather than client – and typically demonstrate the return on investment of the added insight within one working day. The impact on the bottom line is immediate – from improving billing practices to faster debt recovery.”

For example, the capability to analyse at client or matter level – which self-service reporting can facilitate – makes it easier to identify patterns. “You can identify problems or bottlenecks faster, such as why a particular fee earner may not be meeting a target metric.”

And then there's the infamous cross-selling challenge. “One department will pull a report that contains one client, another has the same client appearing, but the two just never get together,” explains Talbot.

Information can easily be lost, which self-service can not only catch but enhance. “Connectors into LinkedIn can even identify the comparable strength of client relationships. It's business development gold,” says Talbot.

Then there's the win of cultural change – the ‘nudging’ of busy people into behaviours that are more productive, such as how they access systems

to get an update on the current state of play.

“Lawyers will typically kick against being told to bill more, because it isn't what they feel they're paid to do. Some firms will hand certain tasks to support teams – but many expect time capture to be a daily activity. So you absolutely need to make such things as easy for them as possible – not a process that takes the best part of a day if there's a sudden problem.

“Instead of static reports full of numbers, we could send a gentle, polite email with a link. You don't even need the dashboard for that – just a message to direct a quick fix.”

But soon, he says, they'll be ignoring the emails and instinctively dashing to the dashboard – which is also dynamic – updated with the most current levels of activity at least daily.

“Like it or not, the time available even for lawyers to make decisions has shrunk dramatically,” says Talbot.

“But once they realise that, although the world is changing, so too are the tools that can help, resistance to change becomes less of a barrier.”

Colour of money

Even with self-service, a firm's business analysts won't have simple free reign to be as sophisticated as they please.

“Whatever lawyers are given, it must always be simple to interpret – not cluttered with multiple columns,” says Talbot. ‘Traffic light’ schemes work particularly well.

“If it's outstanding debt, for example, the big number to know for one client might be 120 days. That's also coloured red, which draws the eye, and you simply click on what you see. From there you can explore further, but there must be comfort that a problem will never take long.”

It's the solution to a world where classic professional impatience meets the social media ‘now’ mindset.

“If you can't find something on a website in 10 seconds, you look somewhere else. And the moment lawyers are confronted with something that seems dull but difficult, they'll try to justify doing it later.”

CASE STUDY

Changing contracts

DWF is helping clients help themselves to a more efficient experience. And they couldn't have done it without the help of Contract Express, say Sam Charman and Jonathan Patterson

Many law firms say that legal services need to be delivered differently – more efficiently, responsively or transparently – but some are going one step further, creating new channels that clearly demonstrate that difference in practice.

In June 2015, DWF joined them. A set of four new service models includes DWF Draft – a process of using document automation software to speed up certain transaction times in around half of the firm's practice areas.

"Smart use of technology is a very big part of our strategy to challenge the traditional way that law is delivered," explains development director Jonathan Patterson.

"Many firms are trying to save time – and become more efficient in general – to meet higher demand from clients for fixed fees. However, we were just as conscious that lawyers are always much more usefully tasked with the trickier details of legal work."

Fortunately, those are also the bits they're usually best at! And that's before considering that lawyer time on what are – on the face of it – more mundane tasks, may even be increasing the firm's risk profile.

"When lawyers are doing quite basic things, they're also likely to be creating multiple unnecessary versions of documentation. Standardisation really allows for better control of quality – and that translates to service to clients," says Patterson.

Learning to engage

Head of applications and development Sam Charman says that DWF's strategy also includes careful identification of clients' own technology challenges." For example, another of the firm's new delivery options is DWF Consultancy – whose business managers and process analysts may, among other things, help clients decide if they could use DWF Draft in-house.

However, as Patterson explains: "There are a couple of big challenges preventing many clients from doing something like this themselves." One, unsurprisingly, is the scale of the capital investment – certainly likely to be picked up and interrogated by procurement. But another is a skills gap for implementation and engagement of the business.

"We offer to use our platform and consultancy skills combined to collaborate and test automation's potential before they jump in at high cost and with unhelpful disruption."

The engagement journey is just as important for DWF internally. "Lawyers must genuinely appreciate the benefits of the change," says Patterson. "This can't be one of those stories where 'the robots are coming for you'."

The initial work, adapting Contract Express automation technology from Thomson Reuters, was scoped out with the users very much at the front of mind – and now that's in force, lawyers receive training tailored to the document in question.



“Lawyers must genuinely appreciate the benefits of the change.”

Learn more at:
www.contractexpress.com

“We’ve developed an engagement process we call ‘lawyer whispering,’” says Charman.

“Our DWF Draft team works with the lawyer to select the documents that would benefit from automation by understanding their needs. Once the initial document has been identified that will quickly evidence the power of the tool, it’s partially built by a legal expert with coding experience to bring it to life.”

The skills hybrid has been critical to getting “really good momentum” behind the change, she says. Time from the ‘whispering’ to a document template can be as little as two hours. “There’s no other platform that would enable us to do that.”

Patterson adds: “It’s much more efficient than organising a huge workshop that attempts to translate complex language and skills for everyone in the team.”

Not just numbers

An intuitive user experience was a priority from the outset – the selection criteria. “You don’t need a training session to book your flights online – and that was how we wanted this to feel,” explains Charman. “Also essential was a readiness to help

us collaborate with our clients – and Contract Express has been extremely supportive on that journey.”

And what of the long-term business efficiencies? “Growth has been well ahead of expectations. It’s already a core part of our commercial business,” says Charman.

One year on from launch, 150 legal precedents have been automated (saving 650 hours if you include the time spent testing them). One particular questionnaire programmed in produces 10 documents at a time, saving up to three hours per use.

“The lawyers then have that much more time to focus on building the client relationships and advising on the more complex aspects of a matter,” says Charman.

But, adds Patterson: “The value is much more in meeting the business’s strategic financial objectives than a purely quantitative achievement.

“And the acquisition by Thomson Reuters, with their development power and additional products, brings with it even more potential for refining how we could collaborate with clients in even more ways in future.”



INDUSTRY ANALYSIS

Software regeneration

Dan Carmel, chief marketing officer at iManage, can sense a new generation of software that's both flexible and secure

This spring, it's more than just the weather bringing winds of change. It seems that a whole set of market forces are coming together to push law firms to take a serious look at how they're managing information across the firm.

First, as more and more lawyers gain familiarity with technology, the expectations of the practitioners about what legal technology can do, and how it should work, has changed considerably. Firms are scrambling to identify what this new breed of professional wants, including how they want to work and how best to deliver technology that facilitates it.

Meanwhile, the firm itself is transforming in



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“Expect to see more firms lock down and secure client information and devices.”

reaction to client pressures and demands for greater agility, non-traditional billing methods, and greater value from their legal relationships, firms are evaluating new technologies and ways to become both more agile and automated. At the same time, as each law firm security breach gets reported in the press, governance and security concerns grow.

And the software market is changing. With the emergence of cloud applications supporting new forms of communication and collaboration, software vendors are innovating and changing their own business models to better suit the demands of both professionals and firms.

The good news is that next-generation software for legal, whether for time and billing, legal project management, e-discovery or document and email management all appear to be taking advantage of several large trends, which bodes well for the future.

What is next generation?

•**Mobile-first and responsive in design.** Today's user doesn't want to learn different interfaces on different devices. Next-generation software is available on phones, tablets and the desktop with a consistent interface. The user moves intuitively.

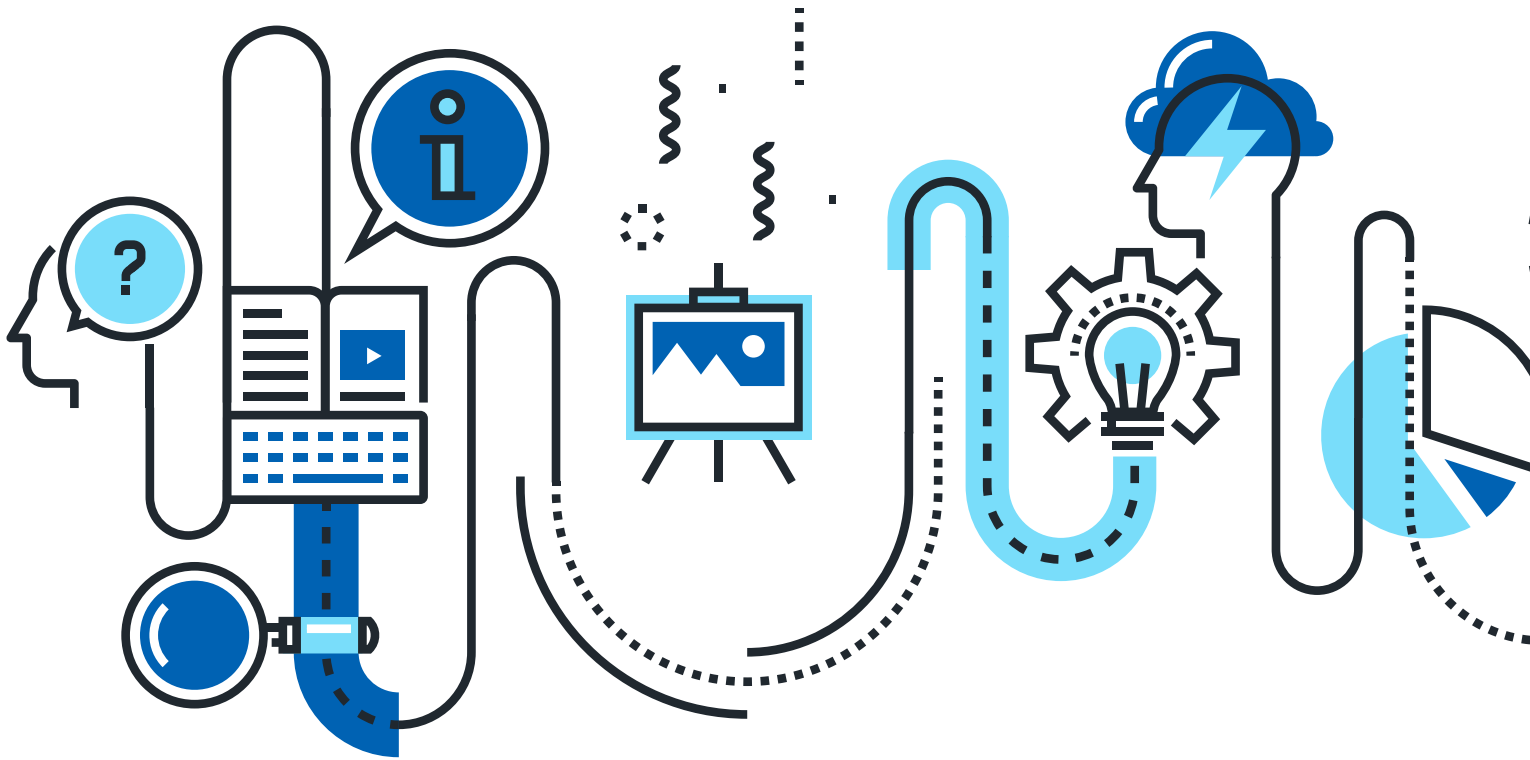
•**Hybrid cloud ready.** The cloud, while a transformative force, is still in its infancy in legal. Firms today are taking advantage of hybrid cloud architectures that enable information to be managed on-premises as well as in the cloud, letting firms use the cloud when advantageous, but remain on-premises when client, regulatory, or other demands require. Lawyers work with large files, and next-generation software provides cloud services that are designed specifically for that.

•**Smarter.** One of the biggest changes with next-generation software is how it takes advantage of data, not only explicit data such as metadata but user click streams, past usage patterns, and other 'big data' analytics. Software anticipates what the user wants to do, and can present information in the right order. Searches become smarter when next-generation software analyses search patterns or returns relevant information from common collaborators first. Next-generation software gets smarter when it monitors user actions and builds usage patterns to identify security aberrations. It also becomes smarter when it analyses social interactions and builds insights based on patterns that can be used to optimise legal process. It's smarter in understanding its own health, and reduces cost of ownership by providing proactive alerts before systems fail. All these 'smarts' add up to a better and more intuitive user experience, new insights into underlying processes, and enhanced security and governance.

•**Supportive of firm-wide information governance.** Concerns about security and governance of client information is only going to get more important. Next-generation software makes legal work easier, but simultaneously uses automation and analytics to create a governed, secure environment where visibility and stewardship of information can be tracked across all client information and devices. Expect to see more firms lock down and secure client information, requiring software that can support agile collaboration.

The legal market, like all markets, is undergoing rapid transformation at the hands of new technology, user expectations and governance concerns.

Vendors are responding with next-generation software that can deliver a competitive advantage, increased user satisfaction and greater agility. But as with all transformations, firms need to carefully evaluate the underlying technologies, the ability of vendors to deliver on lofty visions, and the resources each is applying to conquer today's challenges. 



INDUSTRY ANALYSIS

For a change?

Panicos Iordanou at LexisNexis asks whether law firms are neglecting the human dimension when trying to drive organisational change

Few in the legal profession fail to recognise the turbulence the market is facing. The Law Society's recent report, the Future of Legal Services, opens: "Changes to legal services will have an inevitable impact on the solicitor profession."

That's fairly self-evident. But the fact that change is positioned as something that will have an impact on those working in the law – rather than being initiated and driven by them – is telling, and it raises two interesting questions:

Why might firms be reacting to change rather than driving it?

Law firms, like any business, are affected by external factors that are (largely) out of their control. The global recession triggered by the financial crisis in 2007/2008 is an obvious example. Such shifts create new and unexpected norms, locally and globally, which even the best-laid

schemes of lawyers haven't fully taken into account. In cases like these, some degree of reactionary behaviour is inevitable.

However, in many cases the changes are structural and come from within – fundamentally driven by the changing behavior of the client, whether in-house legal team or consumer.

The years of austerity that followed the financial crisis meant a lot of businesses began seeking to do 'more for less'. For example, buyers of legal services are doing more legal work in-house, demanding fixed fees as well as greater cost transparency generally, and disaggregating chains to distinguish between what's commoditised and bespoke legal advice.

However, there's a strong belief that firms are reacting to client requirements rather than anticipating them and shaping the change themselves. Could this be because the firms themselves are change resistant?



Visit: www.lexisnexis.co.uk/
LSN-May2016

What's stopping firms from driving change?

LexisNexis recently commissioned research to find the answer to this second question. After surveying 50 top law firms, we produced the report [Changing at client speed – what's stopping law firms?](#)

The results highlighted five major barriers to change, most of which should also be familiar to lawyers from smaller firms as well as in-house teams: interpreting implications of the external environment; leading change; business models and organisational structures; technology and processes; and professional identity.

As ever, the devil's in the detail, but even taking one snippet of the specific feedback on each barrier reveals an interesting pattern. Consider

- Identifying the need to change: "The changes don't affect what I do".
- Leading change: "No one is responsible because everyone is responsible".
- Business models and organisational structures: An overly conservative approach to balancing "control and anarchy".
- Technology and processes: "How much will really be left for lawyers to do?"
- Professional identity: Lawyers can be reluctant to deal with relatively standardised work. "It's difficult to get associates to understand that not every piece of work needs to be of 'Rolls Royce' quality".

There are, of course, significant pragmatic issues in overcoming these barriers, but all five also have strong emotional elements.

Taken in isolation, this observation may not be particularly surprising for a knowledge-based professional services industry with human capital and relationships at its core. Nevertheless, it can be easy to lose sight of the central human element in managing business challenges.

Take technology. Asked to identify the most potent threat to the rapid and successful implementation of a new solution, for example, you might expect a lawyer to suggest something that was technical in nature – rerolling software out across multiple countries perhaps, or

"The technology projects that run over schedule or budget most often are those where there was a failure to involve and align the right people at the right time."

addressing security concerns.

But the technology projects that run over schedule or budget most often are those where there was a failure to involve and align the right people at the right time (such as failing to engage the IT director early enough).

Decision discrepancies


Other research on medium-sized law firms (titled [Mind the Gap](#)) suggests similar challenges in relation to aligning decision makers and the rest of a firm's employees more generally.

The report was based on interviews with 56 decision makers as well as more than 100 lawyers who aren't decision makers.

Those without decision-making responsibilities were asked to identify the changes they'd most like to see implemented over the next year or so. The answers were then mapped against the extent to which the decision makers reported planning any changes in those areas, and they reveal some interesting disconnects between the decision makers and the other respondents.

For example, 'increased investment in processes/technology' was the change most wanted by the 100 lawyers surveyed, but only 25% of decision makers reported plans in that area. Similar discrepancies apply in relation to marketing and training.

The findings suggest lawyers (at least those who aren't decision makers) are aware (and in favour) of a need for change across a number of key areas, but that, in mid-sized firms at least, action is lagging.

If this is representative of the majority of legal business, it's serious. It's perhaps appropriate to end as we started, with another quote from The Future of Legal Services: "Business as usual is not an option for many, if indeed any, traditional legal service providers. Innovation in services and service delivery will be a key differentiating factor." This fairly unequivocal statement brings us neatly back to that question – what's stopping law firms driving change? – and to tackling those five barriers in a sufficiently human way. 

LAST WORD

Rules of engagement

Why is a lawyer like a shipbuilder? Richard Brent speaks to BAE Systems' change expert Charlie Blakemore



This magazine's cover story focuses on firms choosing to move their employees – in some cases all seniorities – to variations of the open plan layout of desks.

The desks they're sitting at may even be identical – useful if they're not even sitting at the same one each day. But with some judicious modification of the environment, such as how the space is divided up and opportunities for movement, managers see the benefit of improved collaboration among people who might otherwise rarely see one another.

Briefing was recently present at InterCity Technology's Rethink Tech event – where one speaker had a particularly thought-provoking twist on the challenge of introducing new ways to collaborate.

Charlie Blakemore, transformation director for BAE Systems' military air and information division, needed to lead fundamental change to working practices at shipyards on the Clyde in Scotland, to make them more competitive with global competitors such as South Korea, which are now producing ships on a huge scale.

A digital overhaul was needed “to take significant cost out of the process of developing a warship”, says Blakemore – by improving data understanding and therefore continually improving quality. “Using digital technology reduces product development time, speeds up understanding of the whole ship design and reduces design risks earlier in the programme.”

The drawing office of the 1970s was already an open plan one – engineers sat in lines of desks, poring over plans and physically mocking up the ship's bridge. BAE's big challenge was to move these people – used to chatting whenever necessary as a matter of course – into a more efficient virtual

environment that offered something similar. Blakemore and his team took 3D CAD visualisation technology already used in the automotive industry to create detailed ship simulations. Engineers sit alongside one another in one of five 3D theatres, but move through the sections of the ship on their design reviews – rerouting escapes, for example – at the same time as “real-time networking” about the best solutions.

“It's so much more engaging than sitting in front of a 2D screenshot – and our new generation of design engineers expect to be working in what is a high-tech environment,” says Blakemore.

However, a challenge to changing working practices was to take the unionised workforce on the change journey, which he says, required a process of joint working, engagement and trust. “The workforce embraced the changes, and was itself instrumental in driving the culture change, in tandem with the investment in technology,” he says.

Blakemore carried out face-to-face briefings with the full workforce of around 4,000, covering every site, to explain the case for change and vision for the future.

His biggest tips for communicating really large-scale business process change?

- Project manage people as diligently as if change was to a customer programme. “You can't do it at the same time as the day job.”
- Quantify the benefits and keep the messaging simple, delivered in person. Engagement depends on visibly recognising others' perspectives
- Don't make assumptions. Individuals expected to represent the biggest resistance to change could prove unexpected champions
- Engage early, be transparent and acknowledge when conversations are genuinely very difficult.

So, why is a lawyer like a shipbuilder? Well, whether you're improving naval ships or client relationships, it seems some business transformation principles really don't change. ▴

“The workforce embraced the changes, and was itself instrumental in driving the culture change, in tandem with the investment in technology.”

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