

July 2016

Briefing

SMARTER LEGAL BUSINESS MANAGEMENT

PRINTING OUT
How long until legal sees its first paperless office?

MONEY TALK
The finance team at Shoosmiths focuses on delivering differently

ANGRY WORDS
Insight from psychology into the causes of colleague conflict



Learning leadership

Legal business leaders on what they made of an MBA experience

GET REAL ABOUT MARKETING PAYBACK.



THOMSON REUTERS
ELITE™

INTRODUCING BUSINESS DEVELOPMENT THAT CHANGES THE GAME.

Today it's about getting results. And proving value. All-new Business Development technology from Thomson Reuters Elite™ helps you achieve both throughout every stage of the marketing life cycle, in ways never before possible. You can plan with competitive intelligence and trend analysis. Engage clients and prospects with email, list, and campaign management. Convert prospects with the right people doing the pitch. And prove ROI with advanced analytics. Game-changing advantages for law firm marketing leaders.

DISCOVER A BETTER WAY AT ELITE.COM/GETREAL



See a mobile interactive preview; scan code with your smartphone.

© 2013 Thomson Reuters L-385654/7-13
Thomson Reuters and the Kinesis logo are trademarks of Thomson Reuters.

Editor's letter



Who we are...

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

Elves



Richard Brent is the editor of **Briefing**. He likes to get out and meet as many readers as possible, so contact him at richardb@lsn.co.uk



Kayli Olson is **Briefing's** editorial assistant, in charge of gathering stories and data. Want to contribute? Contact: kaylio@lsn.co.uk



Holly McDavid is **Briefing's** client services executive, responsible for managing all our supplier insight. Contact: hollym@lsn.co.uk

Ogres



Rupert Collins-White is editor-in-chief of **Briefing** and head of content and community for LSN. Contact: rupertw@lsn.co.uk



Sarah Cox is Legal Support Network's head of client services. She ensures everyone's happy. Contact: sarahc@lsn.co.uk

Talk to us

 **Briefing** on Twitter
[@Briefingmag](https://twitter.com/Briefingmag)

 Email us your thoughts
briefing@lsn.co.uk

 Find all our back issues online
www.lsn.co.uk/Briefing

 Join the **Briefing** LinkedIn group
bit.ly/BriefingLinkedIn

 Write us a letter (remember those?)
Briefing magazine
Legal Support Network
20 Mortlake High St
London SW14 8JN

This month's interviews were all transcribed by:

TRANSCRIPTIONSERVICES
from **IntelligentOffice**

What makes a good leader? I'm given to understand that one or two significant collectives in UK public life are now thrashing this old chestnut out with wild abandon once again. To be fair, it's a management magazine mainstay – and has probably been debated, in one form or another, since the dawn of time.

There's credibility, authenticity, an ability to build and keep a consensus among peers (maybe with multiple individual axes to grind), even just good old following through and 'doing what you said you'll do'. None of it sounds like rocket science. But leadership can clearly be a rocky ride, hard to distil and bottle in the first place, and with a worrying tendency to run dry at the worst possible moment.

Leadership can clearly be a rocky ride, hard to distil and bottle in the first place, and with a worrying tendency to run dry.

A commonly asked question: are the very best leaders born or made? Nature or nurture? Eton or school of life? I can't give a definitive answer to that here – but it's probably safe to say that we get better at most things the more we practise them. It's true of my spaghetti carbonara and poker face – so we'll extrapolate from there.

In this issue of **Briefing** we hear from leaders who committed to learning more about what it means to lead. It's not the only reason each decided to add an MBA qualification to their bag of skills, and each has a slightly different story, but there's agreement that the hard work and breadth of study areas in an MBA help to build core personal strengths such as resilience, self-knowledge and confidence as much as any management wiles.

There's also a leadership flavour elsewhere. Our book review finds out what it takes to be an 'advantage leader' (and whether it matters), and our essay turns to psychology for a few fundamentals when it comes to keeping the peace among the ranks. You might feel that last one ought to be leadership 101 – but on my travels I've heard that a few partnerships, in particular, might benefit from a quick crash course.

Whether you're planning on putting yourself forward for office anytime soon or not, I hope you enjoy the read.

RICHARD BRENT EDITOR



www.redbanana.tv

Accelerate

your video marketing strategy

Experts in all aspects of corporate filming, Red Banana Productions will help you maximise the impact of your video content to promote trust in and awareness of your brand.

Simply get in touch with the team to find out more.

Call: **0203 735 5038**

email: **studio@redbanana.tv**

or visit our website: **www.redbanana.tv**



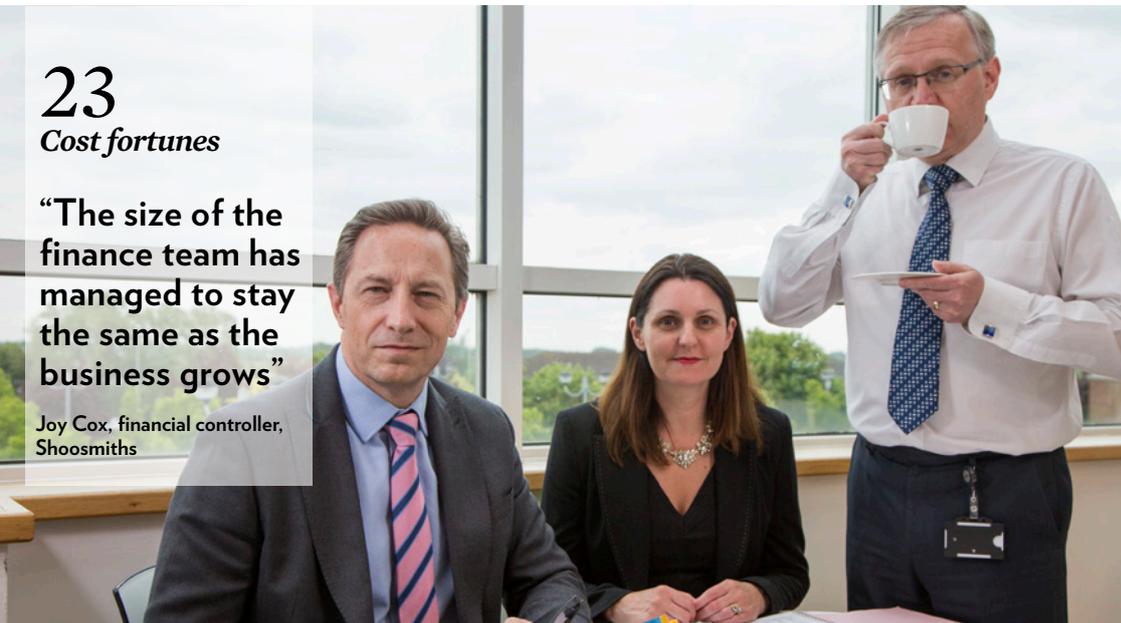
Inside this month

23

Cost fortunes

“The size of the finance team has managed to stay the same as the business grows”

Joy Cox, financial controller, Shoosmiths



Briefing



Learning leadership

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.

UPFRONT

06 Our view BigLaw's Brexit – what happens next?

07 Lex pop Will legal business ever manage to turn the page on its love for paper?

08 Reading list Simon Slater at **Thomson Snell & Passmore** reviews Creating Competitive Advantage

11 What's on your radar? Marketing director at **Weightmans**, Sarah-Jane Howitt

12 Database Where do you stand on gender diversity quotas and the open-plan office?

OPINION

13 Andy Wansell, chief operating officer at **Boodle Hatfield**, on scaling change management

14 Samantha Lee, head of recruitment at **Bond Dickinson**, on the advance of the apprentices

FEATURES

16 Masters in the house Legal leaders say whether MBA study has changed their firms for the better

23 Team profile How new IT at **Shoosmiths** has brought fresh focus to an already finely-tuned finance team

BRAIN TRAINING

28 Dealing with dispute Mediator Paul Randolph offers some insight into anger management – of both ourselves and others

INDUSTRY VIEWS

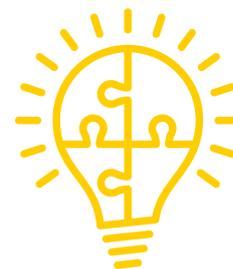
34 Craig Good at **Withers** on more flexible matter-centricity with **DocAuto's** WorkSpace Manager

36 Kim Desmarais, Bill Josten and Brent Turner at **Thomson Reuters Peer Monitor** explore the relationship between IT investment and improved performance

38 Chris Cartrett at **Aderant** outlines the three big factors for getting your firm fit for 2020

REAR VIEW

40 **New days, new dawn** Virginia Farquharson at now top 100 firm **Payne Hicks Beach** discusses the day to day of new duties



TRANSCRIPTIONSERVICES

from IntelligentOffice™

Save money by outsourcing your document production to us.

Visit intelligentofficeuk.com/cost-calculator

 ROUNDUP

Living without EU



The UK populace's call to leave the EU has kept the lawyers pretty busy over the past week (just talking about it, if nothing else) – but what will it mean for legal business in the long run? Unsurprisingly, there's a lot of 'it's too early to say' doing the rounds – but here are just a few things to chew over.

Giving evidence to the House of Commons justice select committee, **Law Society** chief executive Catherine Dixon suggested that now certainly wasn't the best time to be spreading resources too thin and creating further uncertainty by revisiting the representation/regulation question.

186

solicitors from the UK were admitted to practise in Ireland in the first six months of 2016

"An independent economic report has shown that although Brexit may lead to increased legal work in the short term, over a longer period legal services could be adversely affected. Any review of legal services regulation which will create additional uncertainty should be put on hold.

"We need to ensure that England and Wales remains the global jurisdiction of choice. We are also determined to ensure that there is continued single market access and that solicitors retain the ability to practise across the EU."

Just in case, though, solicitors are seeking permission to practise in Ireland in their droves. The **Law Society of Ireland** admitted 186 UK solicitors in the first half of 2016 alone. Transfers totalled 51 in 2014 and 101 in 2015. Director general Ken Murphy said he understood that the

majority completing this process don't plan to set up a physical practice in Ireland, but that firms are making contingency plans now.

"Many of these solicitors specialise in EU and competition law. The right to argue before EU tribunals such as the court of justice of the European Union is only afforded to lawyers qualified in an EU state."

Any brain drain is clearly not good. Rowan Williams, head of professional services at audit firm **RSM**, said: "Staffing in professional services firms has evolved as business has become more global, with many firms operating in the UK now employing people from around the world. It is not yet known how this pattern will be affected in the future, but risks could emerge if the UK is seen on the global stage as a less attractive place to work."

She added: "[But] perhaps the most worrying aspect of Brexit ... is whether it results in an oversupply of resource. Will businesses in the EU of the future still want to buy from us? Only time will tell."

Finally, a poll of **Institute of Directors**

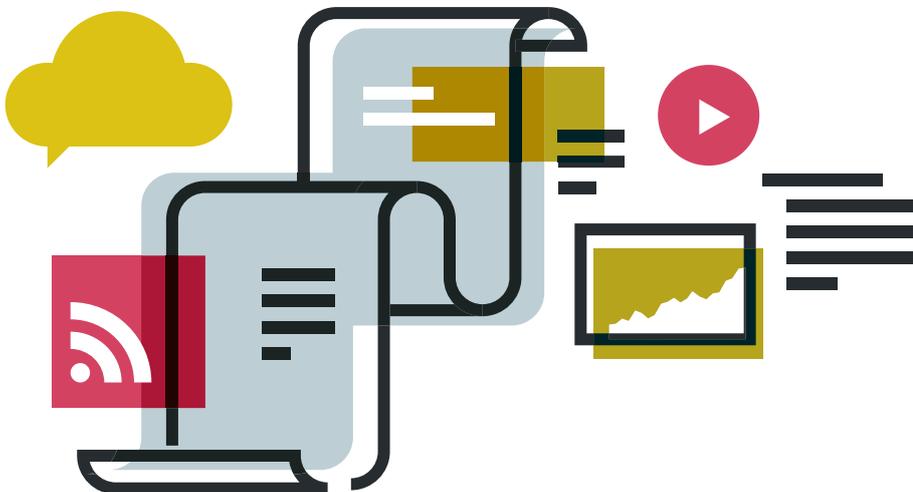
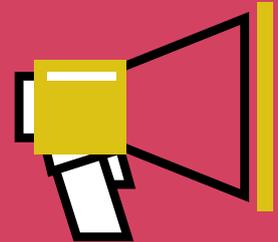
members post-Brexit found more than a third (36%) would now cut investment in their business (44% said they wouldn't) and just over a fifth were considering relocating some operations. However, Michael Martins, economist at the IoD, said: "Service sector firms deal much better with uncertainty as they face much more flexible labour markets. This is best reflected by the 24% of IOD members that have decided to hold off on recruitment, rather than the 5% that plan to make redundancies."

And that's your lot for now – thank goodness for those experts ... ▴

Risks could emerge if the UK is seen on the global stage as a less attractive place to work.

Pressing print

Will legal businesses ever manage to live and work without paper?



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



DENE ROWE
Director of product improvement – Keoghs

Without a shadow of a doubt, the answer is yes. As always, however, the solution will come from a different angle than simply replacing paper with a digital file. The sooner it is easier to utilise practical deployment of artificial intelligence in legal, and finally challenge the straitjacket concept of a case file and matter-centricity, the sooner it will happen.



MATT CRAVEN
Head of IT – Browne Jacobson

Yes. We will eventually run out of trees! Seriously though, I think everyone now realises that paper introduces so much inefficiency and risk that engagement in paperless ways of working is becoming much more prolific. It might not be tomorrow, but soon enough paper will be a thing of the past.



JONATHAN PATTERSON
Development director – DWF

Yes. At DWF we're already targeting 'paperlite', so inevitably paperless will come next. How quickly will depend on several factors, with technology continuing to drive it alongside increasing systems integration between clients and their advisers, the growth of virtual courts and increasingly web-enabled services. As always, though, the biggest leap forward will come from people's willingness to change. The new generation of millennial lawyers who have grown up in a digital world could well be the catalyst for that.

READING LIST

Investing in advantage

Simon Slater, chief executive officer at Thomson Snell & Passmore, grits his teeth and gives another book dissecting the anatomy of leadership a go



I am not an avid consumer of business books. The fingers of one hand would account for those that have had an impact on me over the years, so it was with no small measure of resolve I sought to keep an open mind and not judge this one by its unremarkable cover.

More textbook than inspired read, it will appeal to those who crave substance instead of style. There are 12 clear chapters peppered with charts, tables and case studies to bring theories to life. There're the usual suspects, and some less familiar stories as well. At the end of each chapter there's a helpful summary and a list of leader questions.

Such a book would not be worth its cover price without drawing on lessons learned from military strategy. Perhaps the most interesting sections, then, are those which examine different leadership styles and the role of courage. A stark contrast is made between the need for Sir Winston Churchill's brand of leadership in Operation Overlord (creating an unexpected military advantage) and the leadership style required for peace. In business, this is the difference between the 'personality CEO' (extrovert, flamboyant, intuitive) and the 'shy transformer' (introverted, analytical, calculating).

These sections comprise a number of examples, the most compelling of which focuses on Fred Goodwin and a complicit RBS board. That debacle was characterised by decisions made on the

basis of ego rather than close analysis of reality and thorough assessment of risk.

Charles Darwin also features in the context of creating an adaptive enterprise – and his theory seems more relevant now than ever. But do companies have the right foundation and culture to encourage people to change from reactive mode to proactive, the right ethos to change before they have to, and to cut across silos to innovate so that they can thrive in a harmonious combination of evolution and agility?

The final chapters revisit the roles of leaders and their boards. 'Advantage' leaders do what it takes to challenge the status quo while being driven by the greater good of the business. They make the complex simple, and combine clarity of vision with communication that motivates. They create followers.

But they are prepared to have tough conversations and take difficult decisions. Their boards support them in exercising tough love. Advantage leaders are more observational, better listeners, and possess a greater understanding of strategy than most. Above all, they recognise that competitive advantage lies in market focus and the ability to harness ideas. They invest in advantage.

None of this is particularly new. If you like your business books technical and dry, this is the book for you. If not, you could do worse than try Purple Cow by Seth Godin, Quiet by Susan Cain, Start with Why by Simon Sinek or Good to Great by Jim Collins. ▀

Publisher: Kogan Page
Publication date: February 2016
Price: £29.99

Advantage leaders are more observational, better listeners, and possess a greater understanding of strategy than most. Above all, they recognise competitive advantage lies in market focus and the ability to harness ideas.

Briefing⁺

5P

PRICING
PITCHING
PROJECTS
PROCESS
PEOPLE

ONE-DAY CONFERENCE, LONDON

BOOK NOW
TUESDAY 13 SEPTEMBER 2016

**JOINING
THE
DOTS**

Briefing 5P sees past traditional silos to find a more joined-up view of legal business.

At 5P, legal business leaders will work and learn together to realise a more interdependent, project-based way to pitch, win and deliver legal work. Learn about transparent and innovative pricing, increase profitability, retain clients and create competitive advantage.

Contact
Rikki Clark
rikkic@lsn.co.uk
0870 112 5058

Sponsored by

 enable

Briefing

SPECIAL READER OFFER

**OFFER:
5% OFF
YOUR FIRM'S
FIRST YEAR OF
TRANSCRIPTION**

SIGN UP ONLINE
OR QUOTE
BRIEFING2016
WHEN CALLING

CUT COSTS, INCREASE EFFICIENCY

All firms could benefit from outsourcing transcription to dictate2us – but even more so with our **Briefing** deal: **5% off your first year**

“d2u is the UK’s number one outsourced transcription service for medical and legal professionals and highly competitive all over the world. We pride ourselves on saving our clients time and money, as well as offering state-of-the-art security and a first-rate service.”

Daryl Leigh, CEO, dictate2us

Briefing

Briefing magazine has agreed a special deal for its readers with dictate2us – 5% off your monthly transcription bill for one year if you sign up through the dedicated **Briefing** link, or call and quote **BRIEFING2016** when signing up. You can trial the service for free before committing.

Use d2u and enjoy the benefits of:

- Fast turnaround times
- Secure and confidential service
- Secretarial cost reductions of up to 60%
- Guaranteed 98.5% minimum accuracy
- iPhone, Android and Blackberry apps with one-hour turnaround
- 100% output - only pay for the time you talk
- Free, no obligation trial



The d2u Transcriber app is free to download from Apple and Android app stores and BlackBerry App World

www.dictate2us.com/briefing



This special Briefing magazine reader deal only relates to customers that execute an agreement for a minimum term of 12 months with a minimum monthly commitment of 500 minutes. Briefing magazine sought two law firm references for dictate2us to verify its claims for quality and delivery. The 5% deal only applies to the first paying year the customer is with dictate2us. Briefing magazine is not responsible or liable in any way for work done by dictate2us and is an advertising referrer only.



WHAT'S ON YOUR RADAR?



Invest in empowering people at all levels of the firm if you want to be innovative, says marketing director at Weightmans, Sarah-Jane Howitt

Q How would you describe your overall role?

A As marketing director, I'm ultimately responsible for all the firm's marketing projects. It's important that I have an understanding of all projects and offer guidance and advice to the team when I need to. I also ensure that the board is fully informed, and that all activity is aligned with the objectives of the firm.

Q Is there one project that stands out?

A There are many marketing initiatives I'm proud of, but I would highlight our Generator CRM programme. This was designed by us, without any input from consultants, to revolutionise how we interact with clients. It helps us to work with our clients in a more strategic, tailored and proactive way.

Q In what way is it more strategic?

A The CRM team works seamlessly with colleagues in business development, tenders and communications along with partnership, board and the other operations teams. It ensures that client-facing teams have a toolkit, and to-

gether with the implementation of our 'Anatomy of the Client' project, it enables us to map the client journey and make changes to enhance the process, and ensures that the client is always our absolute priority.

Q How does the firm decide which innovations it will ultimately invest in?

A We've established groups that not only encourage but evaluate innovations, so that we are one step ahead in meeting the future needs not only of our clients, but also their own customers. Our new products and markets group, for example, analyses trends and identifies themes that lead to changes in the requirements of our clients. Such insights and intelligence continue to shape the portfolio of services provided.

Q Do you have a top tip for managing innovation?

A Give people at all levels and stages of their careers the scope to get involved and make a difference. That helps breed change and innovation. When people are empowered, they produce better work and great ideas – so everybody should be encouraged to play their part. It's also always beneficial to look

back, analyse and evaluate the work we do. That way we can see where to improve, so we can grow and develop. This is the same no matter what your area of work.

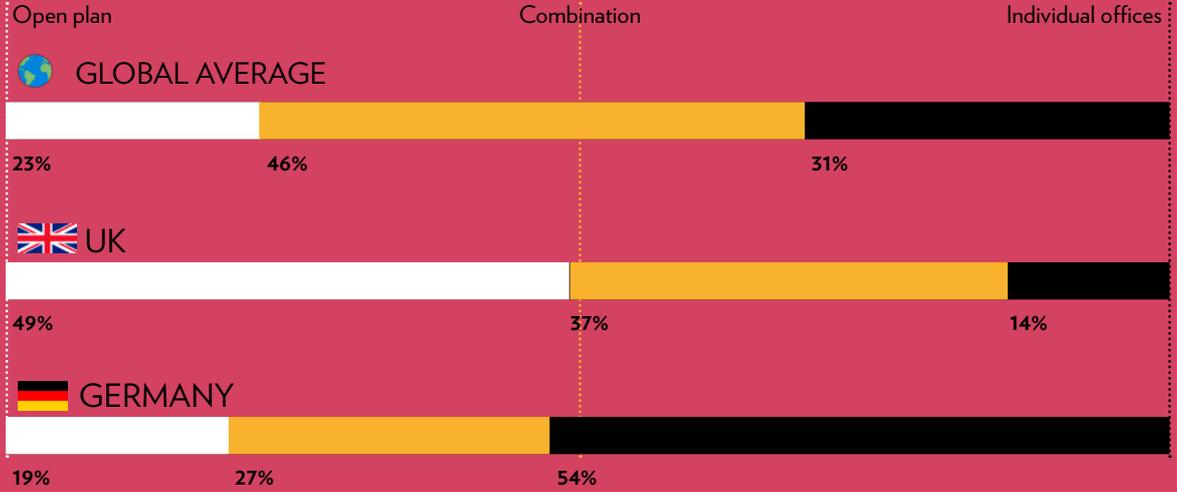
Q What's the biggest challenge when building and resourcing projects?

A With any marketing project, there's a huge amount of collaboration needed between our operations and legal teams. It can be a challenge collectively managing the demands of different teams to deliver the best possible service to our clients. However, we have strong internal relationships at Weightmans, and fortunately we work in an integrated way across all areas of expertise and locations.

Q Do you have a proudest career moment?

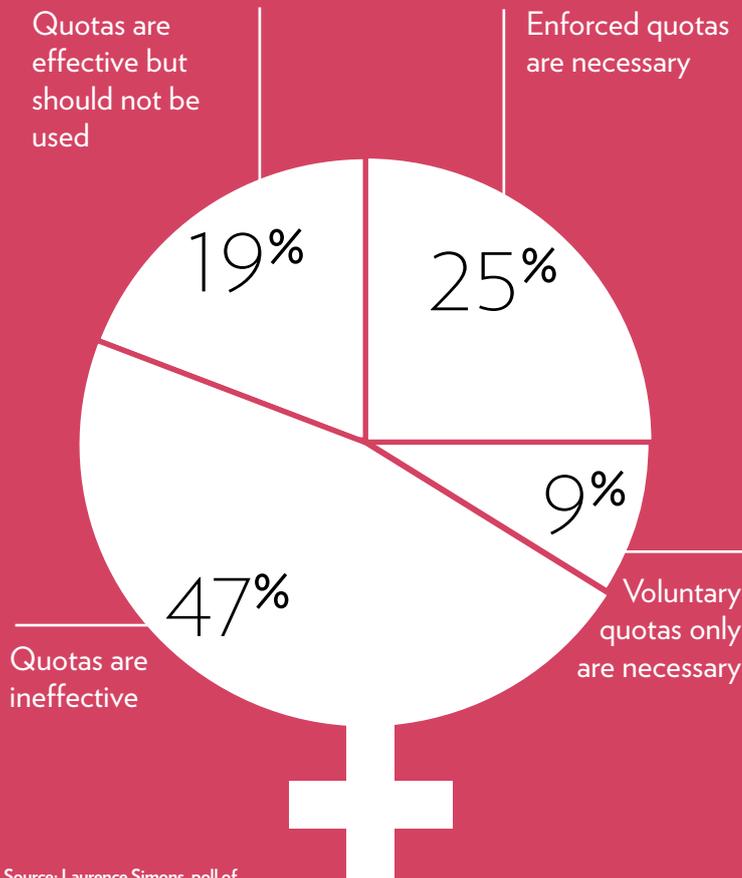
A A key moment for me was, in 2014, being the first fixed-share member at the firm to be promoted from a different profession. It confirms our dedication to being as versatile and flexible as possible, to ensure we can grow, change and adapt while continuing to help our clients achieve their business goals.

OPEN PLAN OR BEHIND CLOSED DOORS - WHO WORKS WHERE?



Source: Steelcase Global report - Engagement and the global workplace

DO WE NEED QUOTAS TO DRIVE LAW FIRM DIVERSITY?



Source: Laurence Simons, poll of 138 legal professionals

FINANCING: THE FACTS

£146,000

Uppermost equity investment in 2015

20-38%

Percentage of external finance in investment mix

13

Highest improvement in lock-up days

Source: MHA Legal Benchmarking report

SPEAK UP

About the size of it



Andy Wansell, chief operating officer at Boodle Hatfield, says bigger needn't mean better at managing change

Challenges faced by a boutique law firm often mirror those faced by the largest professional services organisations. The resources that Clifford Chance can deploy to understand and resolve inefficiencies are broad and deep, and when deploying these resources to the challenge of continuous improvement, the results are impressive.

But how does a business employing 150 people tackle similar challenges?

The key is to turn your size into an advantage. But how?

1 Understand your bandwidth. A well-run small organisation is unlikely to have significant spare capacity, so if you're staffed for business as usual you need to create room to deliver change. This may mean taking core members of the team 'off the tools' and backfilling with more junior members. If you need to bring in temporary resource, do so at the most junior level you can. It may also mean bringing in expertise the organisation doesn't have. Identifying a team of trusted suppliers who can augment your project teams will increase the speed of delivery.

2 Get a trusted team in place. Whether from the organisation or contracted into your project, you need a team you can rely on to deliver the outcomes you're looking for. There's limited capacity to absorb under-delivery within the project team. But team leaders must also be careful not to ask for more than each team

member can deliver.

3 Go hard and go fast. Delivering the perfect project is the nemesis of many organisations. In seeking perfection, project scope changes and timelines extend. If you're going to be small, you need to be agile – and that means being prepared to accept imperfections and compromises in return for deploying quickly. It also means letting stakeholders know that experiencing (and sometimes solving) problems after deployment is acceptable.

4 Move sequentially, not simultaneously. This helps to avoid overstressing what will be a limited pool of talent. There's a real danger that projects will founder when key personnel have overlapping responsibilities. Clashes between project responsibilities and key business processes, such as promotions, salary reviews or budgeting, will cause problems.

5 Sequence your projects in a way that makes sense. Too often we forget to ask "Why am I doing this now?" There will be many options for what to do, and when. Investing time in sequencing work over a 24-36-month period not only recognises that some projects will support the delivery of projects to follow, but also lets the organisation know where future projects fit in.

Remember, in a small firm the margin for error is fine. Taking some active steps to manage project delivery is critical in managing the risk of failure. ▀

Delivering the perfect project is the nemesis of many organisations. If you're going to be small, you need to be agile – and that means being prepared to accept imperfections and compromises.

Train to retain

Samantha Lee, head of recruitment at Bond Dickinson, says an apprentice programme is an investment in the firm's own strategic future as much as the social mobility of the talent it wants to keep



Recent months have seen a number of firms announce apprenticeship programmes, and I'm delighted to see such positive developments within our profession. We by no means led the charge, but we did launch our first scheme back in September 2014, when three apprentices joined our paralegal team in Plymouth (on the level 3 advanced apprenticeship in legal services, supported by CILEx).

This was the result of a year-long project which involved significant consultation, development and education of mentors and supervisors. But the business case was strong. We'd recognised the importance of creating alternative routes to law, not only to address social mobility in the profession but also to give access to those who wanted to start a career sooner rather than later. We also wanted to ensure a continued pipeline of paralegals within our 'onshore' team. It was important that we develop homegrown talent.

Onshore is a team of over 80 paralegals. We developed the model to provide a flexible, centralised and

multi-disciplinary resource for the business. Some teams delegate their routine work – others access the team for support with ad hoc projects or secondments. However, we also face retention challenges with paralegals. We're fortunate to have some talented individuals in our business, so it comes as no surprise when we hear they've secured training contracts – some with us, but some elsewhere. That constant churn is a business challenge, and our apprenticeship scheme is just one part of our strategy to address it. The average length of a paralegal's service has been less than two years, but we see that changing as apprentices develop careers with us beyond their apprenticeships.

We've been so impressed at how quickly they have integrated and contributed. They're already performing in paralegal roles with financial contributions improving every month. Apprenticeships are an integral part of our growth plans.

But as we enter our third year of the programme, there've been plenty of lessons along the way. For example:

- Engage with parents. They're often the decision makers. They need convincing that this is a credible alternative to university. The financial case isn't enough.
 - Prepare. Take the time to get it right by having a fully developed programme before launching. It isn't something you can play by ear.
 - Get everyone's buy-in. It takes an enormous amount to make a success of this scheme. We have mentors and supervisors, as well as a manager who dedicates significant time to working with our apprentices. The scheme wouldn't be the success it is without everyone's involvement. Managing an apprentice is also different from managing other employees. They may need grounding in the real basics, such as workplace etiquette, timekeeping and dress code.
- This certainly isn't an easy option, but our apprentices have absolutely risen to the challenge. It has been one of the most positive recruitment strategies we've introduced and its success has even led to us exploring a number of other opportunities for them across the business. ▲

QUESTION OF DEGREES

Degree apprenticeships are getting more popular with parents of UK school leavers, according to a survey commissioned by the Chartered Management Institute.

With the average debt from university now exceeding £40,000, 83% said they would consider such an apprenticeship if they were in their child's position, while just 17% preferred the standalone degree with no work experience dimension.

Ann Francke, chief executive of the CMI, says: "Savvy parents are recognising the importance of their children getting their foot

on the career ladder at an early age. On-the-job experience and a pathway to professional status are recognised as a surer route to future success than the jobs lottery many graduates face today."

Melanie Nicholson, director of skills at Serco UK and Europe, added that the Trailblazer initiative had helped address misconceptions of apprenticeships as a "second class choice".

"It's very difficult to replicate the experiences that you get in the workplace in the classroom, and every day ... our apprentices are learning how to lead people."



Features

16

Masters in the house

Leaders may still have a lot to learn. MBA holders reflect on the business of studying on the job

23

Lean team

A big IT investment for **Shoosmiths** has brought fresh focus to an already tightly-formed finance team

THE BIG IDEA

Masters in the house

They may no longer be chained to a desk during their day job, but what did legal business leaders gain from going back to school?

Words Richard Brent

As post-Brexit prospects shoot to the top of the business risk profile overnight, presumably it isn't only political leaders who are considering their options in an uncertain future.

The Association of MBAs (AMBA) had expressed concern about the economic climate back in April this year, urging investment in certain skills that play well when pitted against the unknown unknowns. Launching a new awareness campaign (on news from the Office for National Statistics that UK industrial output had fallen 0.5% in a year), chief executive Andrew Wilson said: "As the global labour market becomes increasingly heated and economies remain volatile and uncertain, businesses need a new breed of leader to future-proof economies, ride the chaos and innovate through this complexity."

Many people, of course, complete an MBA degree for reasons such as a career change, and perhaps a nice pay rise to go with it (the Financial Times ranks schools globally each year, taking into account average salary percentage increase and 'value for money', among other factors such as international intake/course components, and the recommendation of past students). According to the AMBA careers and salary survey, an average post-MBA salary is now £96,661 – up 18% since 2012. But clearly, that must mean they're also valued by those businesses welcoming them from a competitor or other industry.

And a global survey of 748 employers by the Graduate Management Admission Council in 2015 found that 84% of companies specifically intended

to add more MBA holders to their workforce, compared to 74% in 2014. Unsurprisingly, the association also highlighted that more employers sought this particular postgraduate qualification than any other.

Course of change

Simmons & Simmons recently said that a bespoke legal MBA it made compulsory for all trainees in 2012 would be replaced by a 'trainee skills academy' from 2016 – although cohorts would also have the option of completing not an MBA, but an MA (LPC with Business) after their legal practice course. But the switch, it said, was to introduce additional skill areas to the package, particularly around behaviours not specific to a single business area.

Graduate recruitment and development partner Alan Gar says: "We recognise the importance of developing not only technical skills, but also business and commercial acumen, client relationship skills and personal skills such as self-management, communication and resilience.

"The early adoption of the MBA was a great success and has enabled us, in creating the skills academy, to provide a more blended approach and programme."

More common with the traditional MBA, however, is to pursue it a bit later in your business life, very possibly at a career turning point.

For example, Ian Jeffery, managing partner at Lewis Silkin, chose the MBA at London Business School (he'd considered the week-long Harvard Business School executive education programme) shortly after acquiring his new management



responsibilities. He points out that the period also saw the passage of the Legal Services Act through parliament – which wasn't a complete coincidence.

“We could already see at that point that there would be scope for doing things quite differently, as well as new entrants coming into the legal market. My view was that we should prepare as much as possible so as not to be caught by surprise.”

He says the compulsory components of the MBA, such as in aspects of management accounting, marketing and organisational behaviour, gave him a very good theoretical grounding in the worlds of his new functional reports – such as finance, business development and HR. But of course, this was also useful for him personally during a period of adjusting to a new leadership role.

Professor Laura Empson, director of the Centre

for Professional Services Firms at Cass Business School, who teaches a core module and elective on its MBA, says: “Some students will decide to pursue an MBA to improve their own performance – if they feel blocked or bored, and wish to progress. A typical time to explore MBA options is before moving into more senior leadership roles – and these courses can be a useful part of an organisation's succession planning.”

But her elective on ‘succeeding in professional and financial services’ is a response to the fact that other courses often don't deal with the nuances of the legal and other professional sectors. “There'll be a lot of MBA case studies on FTSE 100 firms, Fortune 500 companies or tech start-ups, but there can be very little on professional services.”

Jeffery adds that another big benefit of his study was the perspectives of wider industry. “This stretched my imagination beyond what had been

traditional for a law firm.” He highlights exposure to how others have adopted and adapted aspects of project management theory, for example – now, of course, more common in legal.

“Established for much longer in industries such as manufacturing, engineering and even service industries like consumer financial services, you now have larger firms with very well-planned processing operations based on these principles.”

But he says that the training is likely to surface in almost any individual business project – from a new service line to a partner reward system.

“Around three years ago we opened a new office in Cardiff. Everything here’s a team effort – but my MBA meant I could offer insight around project appraisal and valuation, workflow design and the communication challenges of running a business from multiple sites.”

Trevor Worth, CEO of Portcullis Legals, chose his One Planet MBA from Exeter Business School because of its focus on sustainability, but also innovation. And at the age of 51, he says, it didn’t hurt to surround himself with some younger people – who were also his firm’s target market.

“Innovation is the oxygen of business, and the best place to find it is definitely outside your normal circle. I encourage my team to go out and talk to other businesses regularly in any case.”

Indeed, it was his MBA dissertation, he says, that led him to reach out to several international legal startups. For example, he visited Canadian lawyer comparison and referral

service LawyerLocate, which is also Google’s first Canadian legal industry partner. He was at a party celebrating the 15-year-old LawyerLocate Canada business receiving the partner status at Google HQ in Toronto, he says, and this year brought it over to the UK. “The idea for our ‘Law Store’ – open from seven in the morning until seven at night – also came straight out of the MBA,” he says.

Learning to share

As well as studying other business practices, MBA holders invariably point to the benefit of getting to know people representing those industries.

Ian Jeffery, for example, says that of approximately 90 classmates, only three were lawyers and just one was practising.

“There were many from financial services, pharmaceuticals, telecoms and technology – perspectives that were especially valuable for an industry experiencing great change, and which also get you

closer to the experiences and language of your client sectors.”

Geraint Evans, head of new business at CMS, says his MBA from Warwick Business School was an opportunity to broaden his horizons after seven years in legal services (with a finance background but mostly working in marketing and BD since).

“I think I learned easily as much from my fellow students as from the course materials and lectures,” he agrees.

Of 350 students in his year group, around 80% were international (half of those from Europe). Others came from the US, Asia and Africa, with an even split of men and women. There was a bulk of students from banking and insurance backgrounds, but like Jeffery he learned from pharmaceutical, tech and manufacturing firms, as well as public sector bodies and global NGOs. The only demographic without much diversity was the age of his fellow students – mostly in their early to mid-thirties. You can do an MBA at any age, but he says you’ll certainly need plenty of energy.

His choice of ‘executive part time study’ – which could take up to three years – was a good fit with his career and lifestyle at the time, he says, which included a young family.

“It meant you could study slightly more flexibly, with the option to defer a section if necessary without paying additional costs. My daughter was young enough that she doesn’t remember me disappearing for tutorials and lectures at weekends, and the vast majority was distance learning.

“We received a box each year

“I could offer insight around project appraisal and valuation, workflow design and the communication challenges of running a business.”

Ian Jeffery, managing partner, Lewis Silkin



Milan InfoGov

Beyond Walls

It's no longer "If" but "When"
Secure Clients and Matters,
Protect Your Firm

- 🔒 Automated Ethical Walls
- 🔒 Need-to-Know Confidentiality
- 🔒 Multi-system Protection
- 🔒 Flexible Self-Service Access



“I found I was often reading things at night and putting them into practice the very next day – which really was a thrilling way to learn.”

Cathy Mattis, head of legal project management, UK, US, EMEA, Herbert Smith Freehills



packed to the rafters with folders and files,” he laughs. “Now it’s all hosted online, including live lectures where you can easily participate through things like instant messaging.

“I was also doing national business development at the time, so there was a lot of time on trains up and down to Manchester and Leeds.”

More dauntingly, he sat 10 exams in each of the first two years (three or four hours at a time) over one week, just before Christmas.

“We formed a supportive study group of people in and around Warwick, but that was still quite intense. The final year project was much less stressful, as you had more control of your own time.”

He says that his employer at the time (Pinsent Masons) was very supportive of what he wanted to do, including giving two weeks of paid study leave – one of which was used to attend sessions on campus.

“Whether you’re sponsored by an employer or not, they’ll see the value in work projects as you study,” he adds.

“I learned a great deal about team management in particular. Previously I had very little

knowledge of how organisational structures impact individual and team behaviours – that you might not have ‘bad’ people so much as good people in bad situations. The MBA gave me a much better perspective on challenges like that.”

Immediate implementation

Cathy Mattis, head of legal project management for the UK, US and EMEA at Herbert Smith Freehills, decided on an MBA (again from Warwick Business School) as she wanted to learn more about project and process management approaches, tools

and techniques that she was refining for the firm at the very same time.

“I saw there were some legal MBAs on the market, but I was clear that I wanted the general one to learn from other industries. And I found I was often reading things at night and putting them into practice the very next day – which really was a thrilling way to learn.

“Everything was so directly applicable, and it gave me extra confidence at work that others had gone before me, backed up by extensive research, and had achieved measurable results.”

Like Jeffery, she also found MBA study helped to deepen her appreciation of different perspectives in boardroom decision-making. “It helped to demystify those other languages colleagues speak, such as economics, marketing and finance,” she laughs. “I could better understand what they were saying to me, but I could also ask them more informed questions.”

Empson at Cass adds that an MBA can be similarly effective for the increasing number of managers transitioning to a law firm from another business sector. They may already



“Most valuable of all can just be the sheer confidence that comes from developing facility in a really wide range of skills.”

Professor Laura Empson, Cass Business School

recognise that firms will value the MBA, and probably reward them in line with that, but the qualification may not have prepared them for the complexities of working in a law firm partnership.

“Some people feel they can bring their specialist skills to bear for a law firm, but quite quickly get frustrated and disillusioned with practical or cultural aspects of how partnerships work,” she says.

“My elective specifically covers common problems you’re likely to encounter – how you may need to moderate your approach and frame arguments differently to win the support to get things done.”

With three children as well as a top 10 law firm job, Mattis, like Evans, opted for a distance learning option (Warwick is ranked second in the world by the FT in this regard) – and she confirms that online study has indeed moved on. She says 250 people globally convened in a webinar classroom, where they could all interact with one another and their professors.

What’s more, students had to produce joint pieces of work – not unlike Herbert Smith Freehills lawyers around the world since the firm’s big merger.

“One challenge that was certainly useful was the global collaboration, using many time zones to be more productive and meet tight deadlines as a team.

“I learned a lot about collaboration platforms and sharing documents – for example, where everyone can input information at the same time, but also make a few



“We often think too much in terms of jobs and tasks being linear, but the customer and colleague journeys need to be joined up.”

Trevor Worth, CEO, Portcullis Legals

notes on progress and hand over to another person by firing off a simple Whatsapp message.”

Personal touches

Although putting in plenty of early mornings, evenings and weekends, Jeffery also had his firm’s agreement to attend regular classes during working hours in his first year. And he says that at least some face time is key to another reason for doing an MBA – simply honing how one routinely comes across to others.

“A good MBA course probably gives you an opportunity to understand a bit more about yourself – your biggest strengths and weaknesses for example. One element of that can be colleague feedback.

“My own view would be that you can never completely change the person you are – and

they don’t try to force you down a particular route. However, there are personality exercises designed to help you to be the best you can be, with insight for adapting to situations you’re likely to find difficult.”

For his part, he says, he also studied different academic models of leadership, and a key lesson was appreciation of adapting behaviour style to context.

“Sometimes it will be better to be a more affiliative or approachable manager or leader, whereas in some situations it’s important to be more decisive. Sometimes you need to be more consultative and sometimes you need to show you have very clear ideas and vision.” It’s not hard to see how such study could benefit someone in the early days of engaging multiple stakeholders in strategic vision as a new managing partner.

Empson adds: “A key expectation is that you’ll stand up and make regular presentations – argue the analysis of a case to the class and faculty and engage in debate. It’s possible to make it through by keeping your head down, but that’s really a wasted opportunity.

“Most valuable of all can just be the sheer confidence that comes from developing facility in a really wide range of skills.

“Previously I had very little knowledge of how organisational structures impact individual and team behaviours.”

Geraint Evans, head of new business, CMS



An MBA is very hard work, but not all the content you cover is extremely challenging. The challenge comes from acquiring a breadth of knowledge. You need that breadth to operate effectively in any challenging environment.”

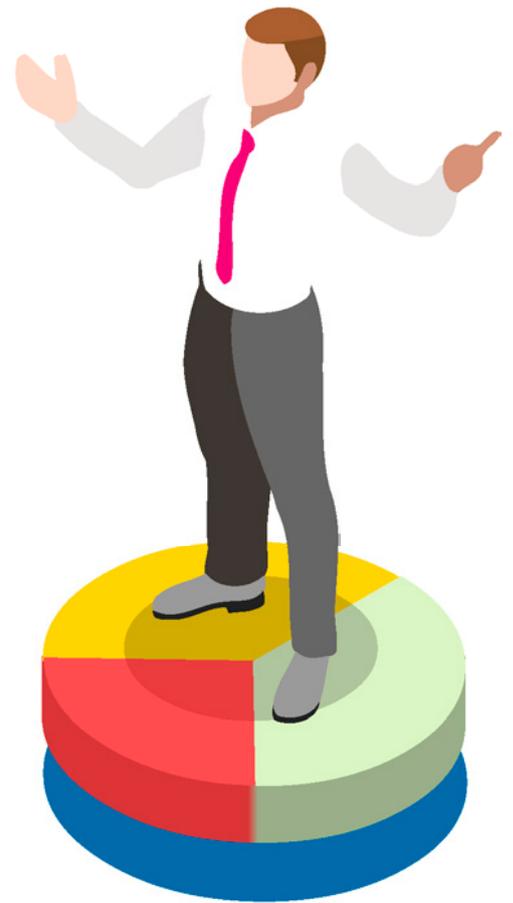
Worth agrees – adding that his MBA taught him that aspects of management aren’t individual boxes to be ticked off.

“There’s the notion of a ‘circular economy’. We often think too much in terms of jobs and tasks being linear, but the customer and colleague journeys, for example, really need to be more joined up.

“You also need to empower people to form part of that circle for themselves. We can’t afford

for people just to turn up to work. We want people to contribute more strategically by giving them the freedom to think differently and challenge what we do.”

It’s a sentiment and ambition that chimes well with the mission of MBA study itself – and the latter is a commitment that could be more important than ever in these times of turbulent change. As Unilever CEO, Paul Polman, told the AMBA’s big push this year: “The basic skills MBAs need are integrity and hard work – but our volatile, uncertain, complex and ambiguous world needs different leaders with a high level of awareness, engagement, humanity and humility.” ▲



LTCTM₄

Legal Technology
Core Competencies
Certification Coalition

Looking for IT technology skills improvement?

WHY?

Clients

...want increased efficiency

Firms

...want increased profitability

- 10 core competency workflows covering security, document management, time and billing, etc.
- Globally recognised certification in industry-standard, real-life workflows
- Global core competency workflows created by law firms for law firms, legal departments, law schools and legal technology vendors

Learn more at ltc4.org or email us at info@ltc4.org

A not-for-profit membership organisation



TEAM PROFILE

Lean team

The finance function at Shoosmiths invests in tech and tight teamwork to deliver internal and external value

Words Richard Brent

Shoosmiths has a fairly traditional financial management structure and strategy, says finance director Chris Stanton. But somehow the individual cogs in this particular legal business machine manage to amount to more than the sum of their parts. In 2015 Shoosmiths was crowned UK law firm of the year, with judges highlighting a 10% increase in revenue for the year 2014-2015 that lifted net profit by 38%.

Stanton is modest about his own role in this achievement. “Several projects came to fruition at the same time. We merged with a firm to open in Edinburgh in 2012, and have successfully moved that team into more appropriate accommodation. The number of personnel there also increased 50% as a result – and that level of growth comes with some upfront investment costs that we’re now emerging from.”

On a larger scale, he says, moving premises in Birmingham has increased employees there, from

173 to 255, over the same four years. “We’ve managed to kick on with building our brand, capitalising on conversations to welcome a number of new partners, skill sets, and clients.

“But strategically agile moves like new offices and reorganisation are only made possible by the analysis and due diligence that allows us to take a reasonably certain view.”

This is a nice nod to the other two people in the room – financial controller Joy Cox and head of financial planning and analysis Colin Hannent. Together, this trio represents the Shoosmiths engine room – surely an especially apt description when Hannent, for example, has been adding fuel to this firm for 21 years. “That’s more than the other two combined,” he laughs.

“I help partners’ decision-making by providing everything from KPIs and other reporting to scenario models for projects to verify they’re financially viable.” He works closely with Cox, however, who says she puts finance projects “into

Above, left to right: Colin Hannent, head of financial planning and analysis, Chris Stanton, finance director, and Joy Cox, financial controller, Shoosmiths

PHOTOCREDIT: JONATHAN GOLDBERG

play” as part of a more operational role.

“It’s a really integrated team, with lots of useful contact throughout the day,” she says – a dynamic that received a special boost in recent years as the firm replaced its practice management system with SAP in November 2014.

Cox led the finance team’s project management. “We needed to review all our existing procedures, which also really helped to mould and bond the team itself,” she says. “Everyone had a different distinct role in making it a success.”

Hannent adds: “The other thing that [SAP] implementation did was help us to build better relationships with the operational side of the business. Everyone had to collaborate with lawyers and other support functions to shape the new processes we’d use – and that helped to raise this department’s visibility.”

Flexing muscle

And if the finance crew is indeed tighter as a result, that was also the point of this IT investment in a very measurable sense. Thanks to SAP there’s simply less need for this function to expand.

Cox says: “There continue to be regular slots in the calendar for reviewing processes each month, and those are in all our management objectives.

“We can upload data faster, we spend less time on duplication and correcting, and can streamline in general – and of course we save a lot of time,” says Cox. “The size of the finance team has managed to stay the same as the business grows.”

Stanton says SAP actually helps the firm continue to spend substantially less than an average firm in its grouping does on the finance function (2.1% of revenue, against 2.7%). “And that’s with a very broad national office network, where there’s an aspect of inevitably rising overhead.” An agile working trial in one office also has one eye on avoiding adding costly space, for example – and he says SAP helps the process of shifting workloads between people more efficiently based on current capacity. “The process of designing and implementing the system has also

“We needed to review all existing procedures, which really helped to mould and bond the team itself.”

Joy Cox, financial controller, Shoosmiths

led us to challenge how we deliver services – internally and externally.”

Hannent, for example, has added a layer of efficiency by providing legal advisers with direct access to some information they’d previously have requested from his team. “They’re not waiting for us to prioritise and deliver, so they can make decisions faster and my team can be more focused on profitability.”

Resourceful revamp

In March 2016, Shoosmiths formally launched a new service suite – Resource Solutions – to offer in-house legal teams more pricing options. These include, for example, ‘Blueprint’ (producing and monitoring template contracts for a fixed price), and ‘Resource pool’, which is a pre-purchased amount of lawyer time where seniority can change according to demand.

Stanton explains: “A client may not be 100% sure of the expertise level they want from outside counsel – but they can buy 100 hours for a fixed price and effectively get less or more depending on the amount of partner time needed.”

Most significantly, clients can mix and match all the strands of the service for a single upfront cost. “They clearly like the flexibility,” he says (Weetabix is just one on board). “And it’s invoiced quarterly in advance, so it’s also rather good for cashflow.”

Stanton worked with the partner behind Resource Solutions, but stresses that most pricing and scoping at Shoosmiths is still driven by partners – which is how he wants it.

“Finance can’t be involved in the hundreds of individual pricing decisions that happen every day. We’re right there for the large ones, clearly – but lawyers also have autonomy to access a well-established pricing and profitability tool.”

That’s on top of pricing and negotiation training from senior associate level up, which means that it usually falls to finance to validate a particular price rather than vigorously critique it. They can then focus more attention on questions of overall client and team profitability over time.

The training includes using very different scoping scenarios to appreciate the full impact of all pricing variables. “Above all, it’s about the knowledge, comfort and confidence to lead client conversations backed up by hard analysis,” he says.

Much like the value of any especially tight-knit team, those are skills it’s probably tough to put an overall price on. ▀

▀ FIRM FACTS

SHOOSMITHS

Offices: 10
Countries: UK
Global revenue: £107m (unaudited 2015/2016)
Headcount: 1,378
Ratio, fee earners to business services staff: 7:3

Feeling the pressure of tougher competition?

Stay ahead with Deltek solutions – used by over 22,000 professional service firms to deliver more flexible pricing arrangements, win more business, manage talent, deliver profitable matters and improve margins.

Discover how at
[Deltek.com/lawfirms](https://www.deltek.com/lawfirms)



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



28

Dealing with dispute

Paul Randolph, author of **The Psychology of Conflict**, offers some insight into the business of anger management – both in ourselves and of others



THE ESSAY

Dealing with dispute

Paul Randolph, author of *The Psychology of Conflict*, says leaders need a better understanding of what is really going on when business relationships start to boil over

The overriding objective of anyone seeking to resolve any workplace dispute is to secure an attitude shift. Without such a change – whether it is a perception about themselves, the other party, or the dispute itself – the parties will remain in conflict and the dispute will persist. The problem is that such a shift in attitude can rarely be achieved through logical argument.

Seeing the other side

Both lawyers and business leaders invariably believe their decisions are made with rational thought and commercial sense. However, the vast majority of daily actions are governed not by logic but by emotional and psychological responses. A 2007 survey of company executives and in-house lawyers, carried out by Fieldfisher, found that 47% of respondents admitted a “personal dislike” of their opponent had led them into costly litigation.

Parties in any workplace dispute – between partners as well as colleagues – approach the conflict from a deep sense of injustice. They both hold mutual perceptions that they have been a victim, and that the other party is unreasonable, their behaviour unacceptable, their conduct inexplicable. Where bullying or harassment are involved, they may also harbour some resentment against a third party, or the employer, for having failed to intervene in an adequately timely or robust manner.

The typical diversity of perceptions among all those involved in a dispute is well illustrated by George Carlin, an American comic, when he said: “Have you noticed that when you are driving on the freeway, the person driving slower than you is an idiot, and the person driving faster than you is a maniac?” In conflict situations, parties are either idiots or maniacs – but of course, both will view themselves as utterly normal.

Shifting such perceptions is not easy within any organisational structure – and partnerships are unlikely to be an exception. Attitudes and positions may have been held for weeks or months, or even many years. They will also have been hardened as a result of peer ‘support’ or pressure, and a range of other extraneous factors. Many lawyers may spend much of their time in correspondence with ‘the other side’. Each letter sets out, in

Each party sees the dispute from the perspective of their own truth, and they seek out evidence that supports their perception.

carefully numbered paragraphs, cogently reasoned, legally persuasive and logically impeccable arguments demonstrating beyond doubt why their client’s position is correct and the other’s is wrong. Perhaps there’s a naïve belief that the other party will read the letter and think: “My goodness! We never looked at it that way. They must be right.” Rarely is that the case.

The problem is that disputants – and their lawyers – frequently pray for ‘common sense’ to prevail. However, while there may be sense, it’s rarely common. Each party sees the dispute from the perspective of their own truth, and they seek out evidence that supports their perception, disregarding evidence to the contrary that might prove them wrong.

This is known as confirmation bias. Parties will seek to reduce or eliminate the discomfort they experience when confronted with evidence that conflicts with their beliefs.

Known as cognitive dissonance, this results in parties placing greater weight on facts that support their views, and discounting all matters which conflict with them – making them more comfortable in their convictions.

Sense of self

Also at the heart of most workplace disputes – and one of the most powerful drivers of all conflict – is self-esteem. We all have a strong need to be thought of well – but also to think well of ourselves, to approve of the type of person we are and to favour the actions we take. Indeed, bullying and harassment are examples of coping mechanisms for low self-esteem. By putting someone else down, the bully feels superior to the bullied, and so is able to feel better about themselves.

Most organisations proudly boast that they operate a ‘zero tolerance’ policy toward bullying. But this will not transform the bully instantly into a responsible, ‘decent’ member of the organisation. The bully often merely moves on to bully others, and perhaps becomes even more destructive elsewhere. But if the bully were, for example, given a position of greater responsibility – ideally without, of course, appearing to reward the behaviour – the problem of self-esteem could possibly be addressed in a more constructive manner.

Discriminatory prejudices may involve similar psychological threads.

Meanwhile, need for the approval of others in the workplace can also lead to an incessant drive to highly value recognition and promotion. However, the corollary is that there is a powerful aversion to disapproval. Any form of



criticism or judgement can be taken deeply personally, an attack upon their self-esteem. Allegations of negligence or criticism of performance lead to emotional responses – usually defensive and volatile.

A 2014 study by neuroscientists for the International School for Advanced Studies in Trieste, Italy, showed that ‘social pain’ activated the same circuits of the brain as physical pain. Any attack on our self-image, from the slightest condemnation to outright rejection, is interpreted as painful. We therefore have an aversion to admitting fault or accepting liability for a wrong. The brain indicates to us that saying ‘sorry’ will be as painful as putting a hand into a fire.

It may ultimately be more productive, for example, to praise the one task that an employee carries out acceptably, while ignoring the three that were conducted poorly. By praising the task carried out acceptably, the worker is encouraged to strive more strongly for a repeat of the praise. In contrast, criticism of the three poorly executed tasks is more likely to result in loss of morale, an increase of resentment, and a decline in ongoing commitment.

Appreciating values

Self-esteem in the workplace is most significantly affected when values – the principles by which we live and hold dear – are contravened. Values and principles can become ‘sedimented’ – so rigid as to appear immovable and impervious to rationalisation. In workplace disputes, sedimented values such as those around punctuality and tidiness could be a typical source of contention. If punctuality or tidiness is deeply ingrained in an employer’s value system, an employee who is unpunctual or untidy can be perceived as being disrespectful, or even personally insulting. The worker or partner who is always late, or has an untidy desk or cluttered room, is seen as a liability, detracting from the overall productivity of the organisation. The fact that the same team member is loyal, industrious and creative may be ignored. The sedimented value effectively renders the employer blind to such good qualities.

Need to be heard?

Finally, one of the strongest motivating factors in workplace or partnership conflicts is the need to be heard – the idea that nobody is listening. This is not merely a wish to have a ‘voice’, but also a longing to be heard,

Self-esteem in the workplace is most significantly affected when values – the principles by which we live and hold dear – are contravened.

understood, and, ideally, to be agreed with or vindicated.

In *Getting to Yes* (1981), Roger Fisher and William Ury state: “People listen better if they feel that you have understood them. They tend to think that those who understand them are intelligent and sympathetic people whose own opinions may be worth listening to. So if you want the other side to appreciate your interests, begin by demonstrating that you appreciate theirs.”

The ability to prove to a party they have truly been heard and understood is the most effective way of defusing anger and other emotions that can impact productivity or culture.

It’s virtually impossible for a party to continue to be angry and remain in conflict with another when the other has demonstrated clearly that they are actively listening, and have heard them. ▴



Have
you
heard?

Endorsed by



The Law Society

Proclaim[®] is the only Practice Management Software solution Endorsed by the Law Society.

It speaks volumes that Proclaim, Eclipse's market-leading system, is the solution of choice for 23,000 legal professionals in 900 organisations. Proclaim encompasses practice, case and matter management, and is now the only system to be endorsed by the Law Society.

From new start-ups to industry heavyweights, Proclaim is the system of choice for forward-thinking law firms.

- Fully integrated Practice Management Software solution
- SAR-compliant legal accounting
- End-to-end case and matter management workflow processes
- Ready-to-go workflows for specific practice areas
- Fast to implement, easy to use

Contact us for a demonstration – see the Proclaim difference

CALL 01274 704 100

www.eclipselegal.co.uk/lawsociety
lawsociety@eclipselegal.co.uk



E C L I P S E

Part of Capita Plc

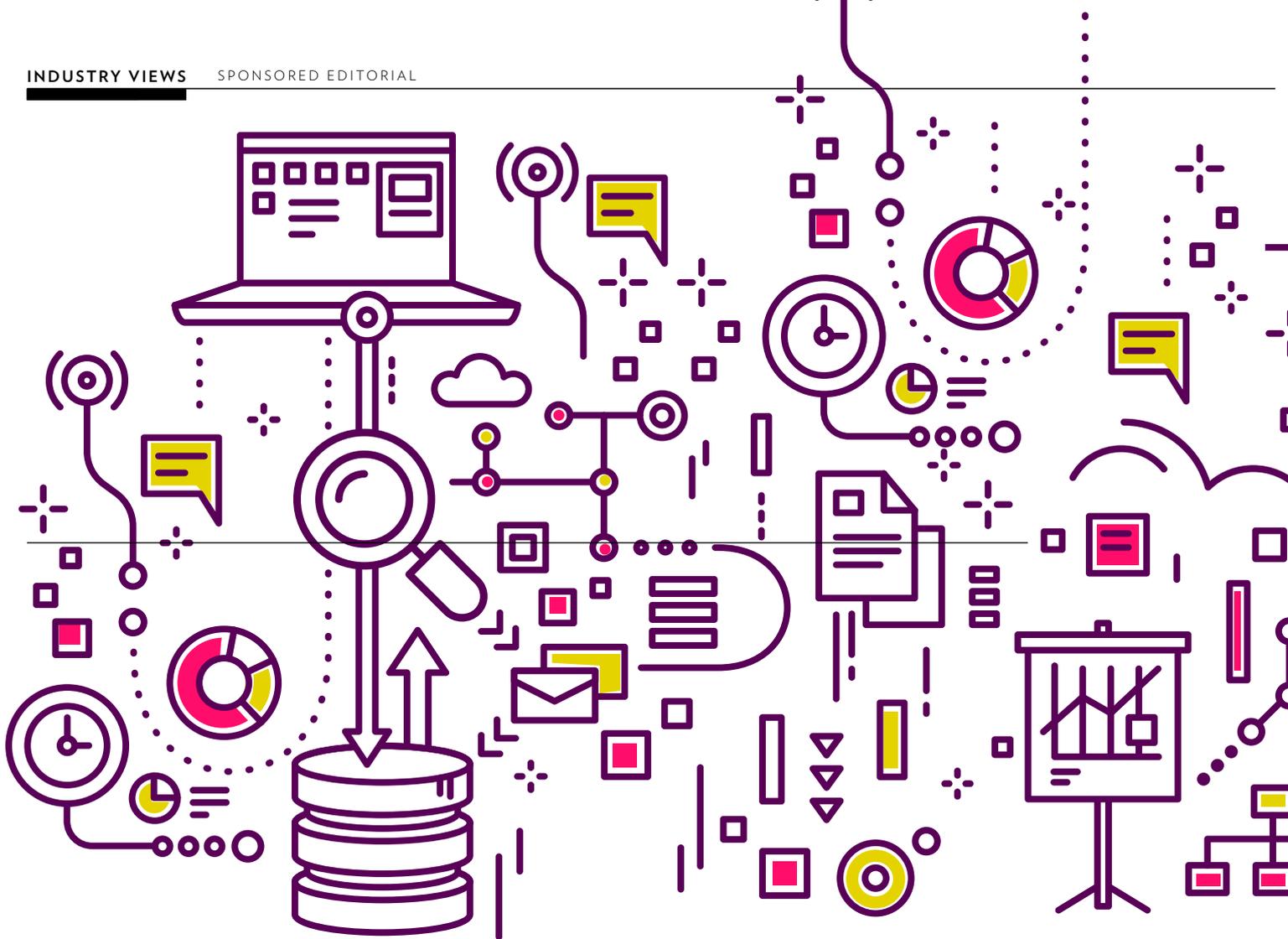


Industry views

34 *Making space*
Craig Good at **Withers** says
WorkSpace Manager from **DocAuto**
delivers a better matter-archiving process

36 *US market insight*
Kim Desmarais, Bill Josten and
Brent Turner at **Peer Monitor** on a
measured case for IT investment

38 *Front runner*
Chris Cartrett at **Aderant**
explains how technology must change to
make legal business fit for 2020



INDUSTRY CASE STUDY

Making space

Craig Good, global applications manager at Withers, says the firm improved the content management experience for a range of practice needs with a more flexible matter-centric solution from DocAuto

Data retention is one of many management decisions with the potential to get information-saturated business such as law firms into a bit of a bind.

Quite aside from the relevant regulation governing storage, there's a need – which the IT department inevitably tries to meet – to make the details of an ever-growing mass of past experience as easy to surface as possible.

However, there's a tension between that goal and the no less tricky matter of maintaining operational efficiency to meet growing competition.

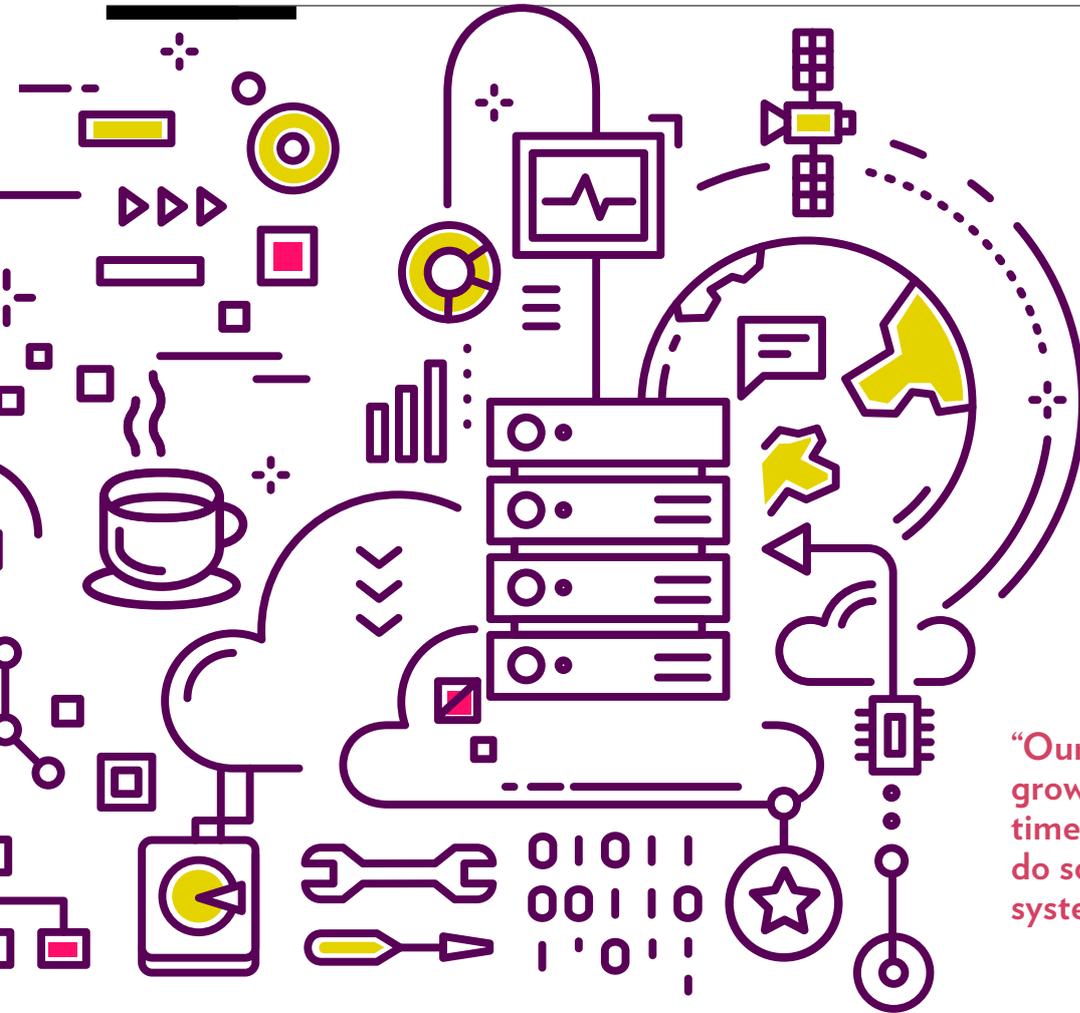
Add to that the evidence that firms find it difficult to agree on a single policy to bridge all of their practices at the best of times – and it may well be time to do something decisive about how they're managing data for the long term.

Archive all areas

“Our practice groups are particularly diverse,” says Craig Good, global applications manager at Withers. “A family group could typically have a decade-long content-retention policy, whereas in real estate it might be much shorter.

“That meant our only database was just growing

For more information, visit:
www.docauto.com



“Our only database was just growing and growing all the time. We realised we’d need to do something to maintain the system’s performance.”

and growing all the time. We realised we’d need to do something to maintain the system’s performance.”

The answer, he says, was simply a new system of archiving. “We literally moved anything that was marked ‘closed’ in our practice management system into a separate archived database – still completely read/write – to maintain document numbers at healthy levels.”

But the fact the solution was quite this straightforward – belying, perhaps, its strategic significance – is down to DocAuto’s WorkSpace Manager, which automates the matter-centric environment using iManage Work (managing documents and emails within a single engagement file for optimum project updating and collaboration). The firm introduced this product to its fee earners several years earlier. Archiving is just the latest example of a gradual evolution in matter-centric flexibility, Good says.

Workspace generation was already underway using another tool when WorkSpace Manager arrived – but the firm wanted to be able to do more than “publish shortcuts,” he explains.

“We’d previously offered people the opportunity to decide their own workspace structure, from templates and folders to the filing protocol. Over

time, however, we realised that what we had in place as a result was too elaborate. The business groups themselves just didn’t like working with them.”

With negative user response always an especially worrying sign, Withers identified a need to completely restructure information management, he says.

“There was a lot of deleting and renaming of folders, moving documents between them and creating new search folders – and in particular we needed to add a filter to some document elements to increase accuracy.”

Overall, he estimates, there were around 20 templates to restructure and refill. As with the subsequent archiving, practice groups also had slightly different requirements of the processes depending on their sector focus.

“We were still quite new to matter-centricity when we implemented it – but our strategic archiving demonstrates that this just continues to add value.

“I’m confident this is one of the most clearly beneficial investments the business has made, and I can’t see a competitor that matches it. It’s one of the single biggest things we’ve ever done to make matters more efficient.” ▴



INDUSTRY ANALYSIS

US market insight

By some measures, midsize firms are the real rising stars of the US market – possibly attributable to their willingness to change, say Kim Desmarais, Bill Josten and Brent Turner at Thomson Reuters

The 2016 State of the Legal Market report, a collaboration between Thomson Reuters Peer Monitor and the Georgetown Law Center for the Study of the Legal Profession, posited that large law firms in the USA may well be facing their proverbial ‘Kodak moment’. Demand throughout the legal industry remained flat for most of 2015, but alternative providers continue to bloom.

Unequal animals

Regardless of the increasing pool of potential threats, the first quarter of 2016 actually saw market forces take a bit of a positive turn. For the first time in a year and a half, there are positive indicators of client demand, the rates firms are able to charge, firms’ ability to control costs, and indeed, lawyer productivity.

But while this is encouraging, not all segments are equal. 2015 was a successful year for the largest of large firms, but only moderately so. Am Law 100 firms saw modest gains in gross revenue,

revenue per lawyer and profits per equity partner. But examination of early results for 2016 indicates that the road ahead could be rougher. Demand and fees for work grew in the first quarter of the year, but at slower rates than in the first quarter of 2015. And productivity for the first quarter was down 1.7%, the largest year-on-year decline of any segment in the past three years.

Stronger success was visible among mid-size firms, which seem to have found a point of balance between demand and growth in lawyer numbers, helping to alleviate some of the pressure on productivity plaguing firms of all sizes. Indeed, demand growth of 2% exactly matched 2% lawyer growth for the quarter. And while still negative, productivity outperformed the other segments.

Nor are trends in the mid-size market limited to this quarter. These firms have seen steady improvement across almost all key metrics, progress just not seen in other segments. First-quarter demand has grown from -0.7% in 2014 to 2% this year. Fees worked have also grown, leading



to a slowing decline in productivity.

In stark contrast, the Am Law Second 100 has seen its fortunes reverse. In the first quarter of 2014, they saw industry-leading demand growth, but that rate of growth slowed dramatically before finally ending up in negative territory in 2016. The group has slid down to last place among segments.

Rates of change

Demand growth isn't the only reason the market should be attentive to mid-size firms. While demand and fees worked have been growing, growth in rates charged is slowing. Worked rates grew at 2.6% in the first quarter of 2014, followed by 2.1% in 2015, and just 2% in 2016.

But slowed rate growth doesn't seem to have had a detrimental effect on performance. This was the only segment to see annual improvement in first-quarter revenue and cash collections. Revenue grew at a strong 6.2%, cash at 5.3%.

Larger firms (the Am Law Second 100) held the line at 3% first-quarter rate growth for each of the last three years. While steady, however, this hasn't translated into stronger revenues or cash collections. The first quarter of 2015 saw Second 100 revenues grow at 2.3% compared to the previous year. But after another year of holding

rates, revenues declined by 0.7%. Similarly, the segment grew cash collection by 3.2% in the first quarter of 2015, but only managed 0.9% in 2016.

Spending on technology by midsize firms saw the second highest rate of growth among any tracked expense metric in the first quarter of 2016.

For more information, visit:
peermonitor.thomsonreuters.com

Both segments do seem to have budged a bit in response to continued client pressure to reduce rates. Granted, rates are still growing, but for both segments that rate of growth has slowed.

It's difficult to say that the demand growth in both is due to recognition of client price sensitivity, but it's a correlation worth noting.

Spending power

Another to watch is the relationship between expenses and performance. It's often said, after all, that business priorities are reflected in the budget.

It seems apparent that smaller firms have placed a priority on upgrading their technology. Spending on technology by mid-size firms saw the second highest rate of growth among any tracked expense metric in the first quarter of 2016 (only trailing recruitment, which is also much more volatile).

But the Am Law 100 is also focused on technology. These firms currently spend about \$23,600 per lawyer on technology, up 2.8% from the previous year. The Am Law Second 100 still dedicates a fair amount to IT, but it grew that figure at only 1.1% over the previous year.

So are Second 100 firms increasing tech spend at a slower rate because of declines in fees worked and revenues, or are fees and revenues declining because they're falling behind on technology? The truth may be a little bit of both – but Peer Monitor's technology survey in January quite clearly showed that firms with better financial performance tend to be those that have adopted certain technology enhancements.

Clients continue to push firms not only to recognise increasing rate sensitivity, but also desire for greater efficiency and predictability from outside counsel. Investment in technology may well be interpreted as an effort in this regard.

Comparison with Kodak is intended neither as a prediction of an impending certainty, nor an existential threat to the practice of law. But it should serve as a cautionary tale to large firms that even the most stable of businesses isn't immune from competition, including from startups.

It's impossible to state with certainty that adjustments to rate growth and expenses are the root cause of success, but business as usual is certainly not an option. ▴

INDUSTRY INTERVIEW

Front runner

Chris Cartrett, senior vice president of strategy and growth at Aderant, says the future of legal business lies in enabling the fee earner to work more productively

One of the biggest overarching trends in technology for legal business is the placement of greater power in the hands of those closest to the business coming through the door every day. Fee earners know they need to have more transparent and collaborative conversations with clients. For that they need easier, faster access to the most up-to-date information on how work is really happening.

Software providers must respond to that drive above all others – and for Aderant the hiring, in 2014, of Chris Cartrett as senior vice president of strategy and growth is a clear sign of its ongoing commitment.

“I was especially fortunate to arrive at a time when we had embarked on a strategy of investing very heavily in front-office focused applications that can help lawyers to work much more efficiently,” he says. “I was excited to be joining a very strong company anyway, but a lot of new products were ready to roll out when I arrived, so the timing really couldn’t have been better.”

Power of three

Aderant has also enjoyed eight consecutive quarters of record growth since then, as Cartrett and his team have evolved both products and processes to help firms focus on this fee earner-centric future.

“If you take something like billing, in the past it was very much treated as a back-office function,” he explains. “Our top goal is always to help clients speed up WIP to cash, but we’re now seeing much more front- and back-office integration, and even collaboration between firms and clients.”

Collaboration, he says, is one of three big trends that should be shaping firms’ technology choices to stay competitive in the market come 2020.

“For example, clients are calling for greater transparency about how matters progress, so the firms are demanding more analysis to gain a deeper

understanding of their matters. One big area of investment for Aderant is in collaborative pricing tools. Those are already proving an extremely successful driver of our business.”

The second trend sounds more back-office – but the result, again, is a set of tools that lawyers can use to improve their individual efficiency at work.

“Profitability is under new strain, so firms also need to automate more processes – breaking a business process or piece of work into smaller steps, and deciding which could be done more efficiently in a more standardised way.”

And lastly, firms want their lawyers to have access to all of these tools more of the time – true mobility. “They need access to information and workflows, wherever they are, whenever they’re needed,” says Cartrett.

A good illustration of the trends converging is the company’s new billing application, coming in autumn 2016. Financial progress is one of the most obvious examples of where a firm’s clients may well want to collaborate and have more insight into a process.

“There hasn’t really been a new billing application for around eight years,” says Cartrett. “But whether it’s new demands concerning e-billing or complex split billing arrangements, firms are challenged to meet client demands and they’ve often responded by creating custom processes outside the billing desktop. We’ve therefore overhauled our billing application, as well as introducing new mobile features, to help them move forward.” This is available to all Aderant Expert clients as regular maintenance, with no need for data conversion, he explains.

Getting personal

However, Aderant isn’t just investing in developing new products. Cartrett has also recognised a need for it to invest more in people. “We want new



Learn more. Visit:
www.aderant.com

customers to select us because they genuinely recognise how happy existing clients are,” he says. “For that we need to invest in their experience with us as strategically as we invest in products.”

For example, he has established a new network of ‘client experience teams’, who offer firms more support for increasing their levels of technology adoption. These are people whose sole job is to help a firm’s people understand the software it has already bought, he says. “They set up in a spare conference room, and lawyers can walk through the door, quickly download an app and receive an instant tutorial.”

This team also offers more strategic advice. “A common obstacle to productivity is where a firm doesn’t upgrade to take advantage of new apps in time,” he says. “The client experience team can advise on optimum scheduling to solve this.” Overall the business improves its asset management, with less last-minute urgency.

But Aderant collaborates with its clients throughout the relationship – including at the very outset. A ‘product innovation committee’ of user firms offers input on new projects upfront before giving regular feedback as a product develops. A diverse range of firms come together (over 40 in the case of the new billing app) to ensure each change reflects the right real-world business challenges.

Clients then have more confidence that they can implement the IT investment to best effect, says Cartrett. “They really have some skin in the

“We’ve been able to move clients over from top competitors, where they’ve failed to complete the implementation, and bring them live within 12 months.”

game, and that improves adoption. Our business has achieved impressive growth – but I firmly believe the key to that is customers feeling as though they’re very much part of the full process.”

Of course, whatever the future brings, firms need confidence that they can implement new technology and processes with minimum disruption and see a rapid return on their investment. Time to initial implementation is always crucial, says Cartrett. “Not only can Aderant boast a record zero ‘failed implementations’, but we’ve also been able to move clients over from top competitors, where they’ve failed to complete the implementation, and bring them live within 12 months – that’s huge ROI.”

More consistent process in areas such as documentation helps, but he says success is largely down to the software (especially app access) easing upgrades.

It’s clear that investing in collaboration and agility is as integral to Aderant’s growth strategy as it is to the strategies of firms it’s helping to push forward into the future. ▴

PHOTOCREDIT: JONATHAN GOLDBERG

LEADERS AT WORK

New days, new dawn

Virginia Farquharson describes a day or two in her life as director of management at the fresh face in the top 100 table, Payne Hicks Beach



I am definitely an early bird rather than a night owl. I like to get into the office early in the morning so that I can tackle the jobs that require a great deal of concentration, getting them out of the way before I start a hectic schedule of meetings and become involved in the myriad things that come up on a daily basis.

I am involved in all sorts of meetings. It might be a meeting with our HR manager, for example, at which we'll have a round-up of what's happening across the firm. At the moment we're organising diversity training for everybody in the firm.

We're also getting a new practice management system, due to go live in September, which is going to affect not only accounts but all members of the firm as it includes document management – and everything else that we do. There will be significant changes for everyone coming up soon.

So, I'm regularly involved in project planning meetings for that with the IT director and our accounts manager. It's very important that it goes well and everybody knows what they're doing. It will streamline a lot of our processes and make maintaining electronic files much easier, although we're not

planning on doing away with paper files any time soon.

We like to celebrate our loyal and long-serving staff. Almost half of our staff have more than 10 years of service at the firm. Recently we had our annual summer lawn party, where we celebrated the significant work anniversaries of a number of people with 15 years of service or more. One person in particular has been with us for 40 years. That night I gave a speech to congratulate and recognise their loyalty and long service.

As a result, we're also very conscious of the need for succession planning. Today I'm meeting with a headhunter – we've had a great deal of success by headhunting, but also in developing our own staff. Both are equally important to us.

I also have meetings with our charity committee. We decided a few

years ago to concentrate on two charities. One is the Ellen MacArthur Cancer Trust, which is a client of the firm. We wanted the other to be something local, and found Coram's Fields, a charity providing all sorts of facilities for young people in the area. We're involved in their employability project and have a few of our staff mentoring people on the scheme. It's very encouraging to see staff participate and we're very proud of our association with the charity.

We were pleased to make it into the top 100 as we felt it showed that our plan of sustainable growth was working. We want to grow slowly and gradually. We're not looking to double our size or anything like that, but it's good to be recognised.

As an accountant by training, I'm actually much more interested in profitability than turnover, so that will always be the focus.

As you would expect with the title 'director of management', I'm involved in all sorts of areas. But when I get home, it's mainly family time. I'm not somebody who stays late in the office and I like to go home pretty promptly. I think that work life/balance is incredibly important. ▀

As told to Kayli Olson

“We like to celebrate our loyal and long-serving staff. Almost half of the staff have more than 10 years of service at the firm.”