

# Briefing

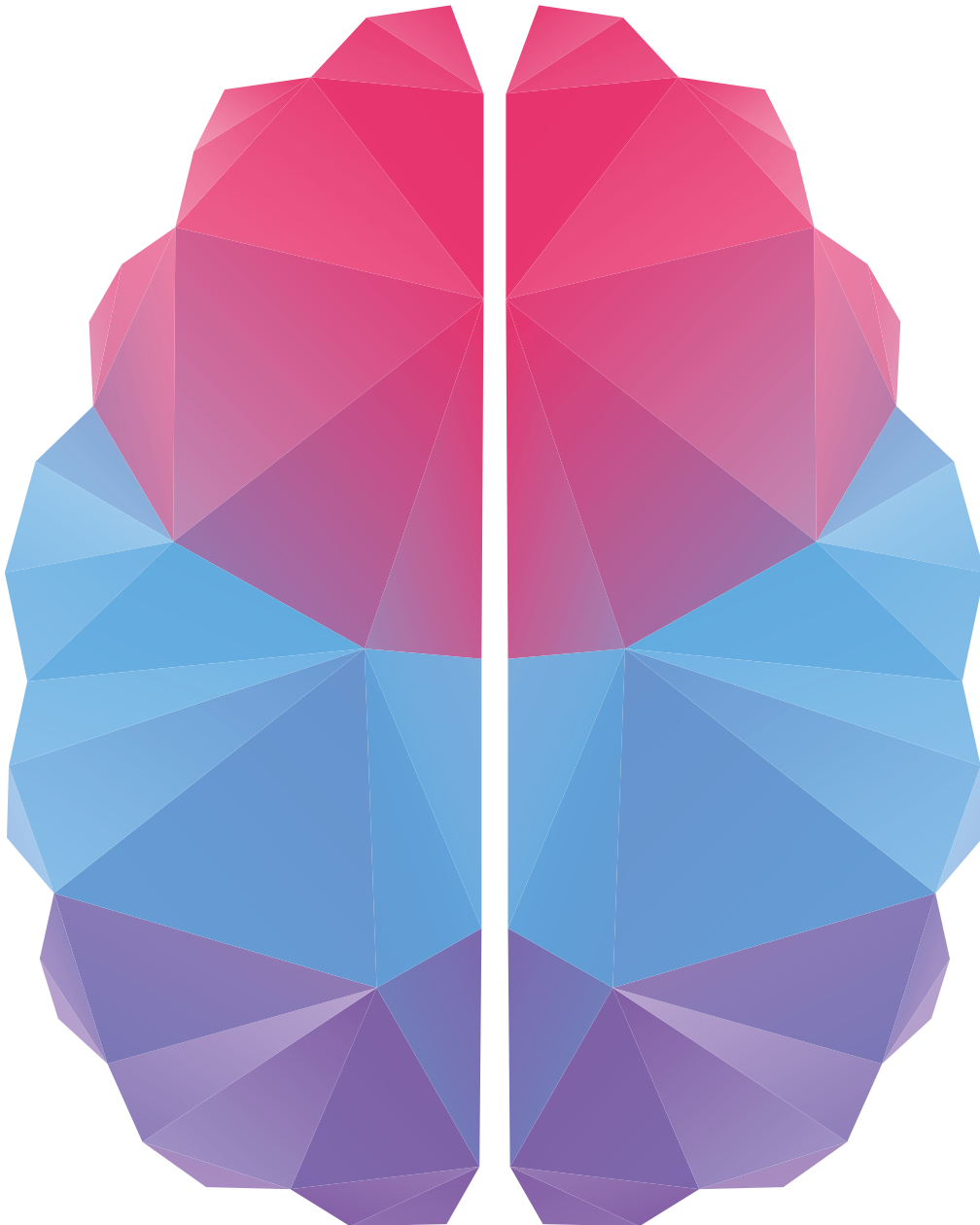
December 2016

SMARTER LEGAL BUSINESS MANAGEMENT

**MATTER MASTERS**  
The UK client value team at Reed  
Smith has the power to partner

**KEY CHANGE**  
Kristina Oliver on freedom to get in  
the creative groove at Keystone Law

**MARGINAL SUCCESS**  
What can legal business learn from a  
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# Editor's letter



**I**t's traditional to round off the year on a reasonably upbeat note in this space – and so I thought I'd talk about the rise of artificial intelligence ...

**Briefing** will be holding the first of a new series of events in early 2017 – and it's the latest on the likely role of AI in legal business that's up for discussion.

The big new buzzword? Media-fuelled hype? Well it's nearly Christmas – so I'll entertain that just this once. Still, you may have noticed that even the government has now got around to discussing this much-talked-about topic. A Science and Technology Committee report says that, while tech giants such as Amazon and Google have come together to form a 'Partnership on AI', evidence of government thinking – in other words, leadership – has been scarce.

**All businesses need to begin planning what they're going to do with all that newfound efficiency.**

Interim chair Dr Tania Mathias said in the report: "It's conceivable that we will see AI technology creating new jobs over the coming decades while at the same time displacing others. Since we can't yet foresee exactly how these changes will play out, we must respond with a readiness to re-skill and up-skill."

She called for a commission on artificial intelligence to come up with some development principles and lead debate, called it "disappointing" the government hadn't set out plans for getting the future workforce much more digital-savvy – and argued that education and training would also need to flex.

This is all festive music to my ears, as it's precisely what I chat to Professor Tom Davenport about for this month's Big Idea (p16). Author of new book *Only Humans Need Apply: Winners and Losers in the Age of Smart Machines*, he's very much an AI "optimist," he says – providing people aren't in denial about exactly how much the machines can, and will, do. But all businesses need to begin planning what they're going to do with all that newfound efficiency – and it mightn't be a bad idea to plough a decent portion of it back into training quite a number of us to do something else useful.

See – a traditional upbeat note! Word on the street is that 2016 has been a bit grim – but I must say I've had a fantastic time here at the helm of **Briefing**. Many thanks to our cracking team, to all of you, and a (human) Merry Christmas one and all.

RICHARD BRENT **EDITOR**

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Burlington Media Group	36356	East Sheen
Cartwright King Solicitors	61033	Newcastle U Tyne
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David Bunn & Co	20552	Rubery
Emsley Solicitors	730443	Leeds 73
Forensic Testing Service Ltd	27534	Bakewell
Goldsmith Williams	26562	Mold
Keystone Law	193	London Chancery Lane
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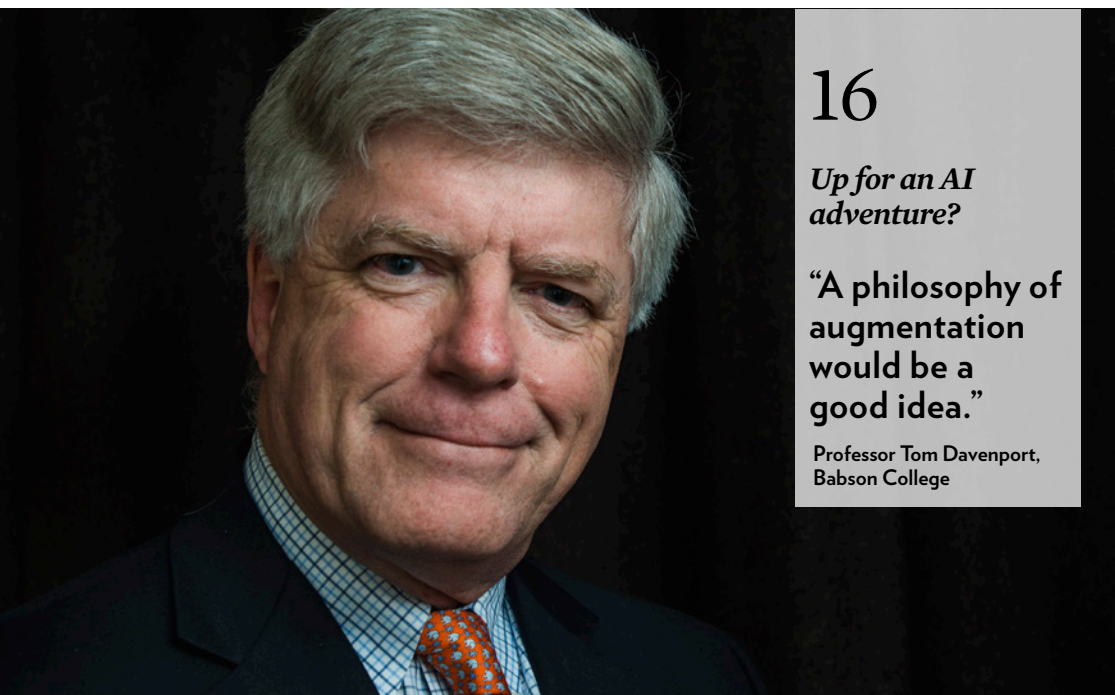
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# Inside this month



16

*Up for an AI  
adventure?*

**“A philosophy of  
augmentation  
would be a  
good idea.”**

Professor Tom Davenport,  
Babson College



**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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 ROUNDUP

# Buying presence



**A**s 2016 draws to a close – and three cheers for that – Brexit-based uncertainty certainly continues. Connected or not, November was a month packed with some striking bids for larger slices of the classic international high-growth markets.

**Fieldfisher**, for example, has seen fit to merge its way into China. The 12-partner Beijing firm **JS Partners** now carries the Fieldfisher brand, as well as aligning its name with a move to the suitably tongue-tripping ‘FeiShe’. The merger is also a Swiss Verein arrangement, and follows a merger in Italy for the firm using the same structure.

# 70

People now at work at the new **Dentons** global shared services centre in Warsaw

“This is the third merger we’ve had in the last six months,” said managing partner Michael Chissick (it has also entered the Birmingham market through a merger with **Hill Hofstetter**). “As we continue to develop our European presence, this merger will allow us to service the growing demand for Chinese clients seeking to invest and do business in Europe, while also increasing our ability to service international clients seeking opportunities in China.”

**Kennedys**, meanwhile, has launched an ‘India Desk’, set to complement a 15-year association with New Delhi and Mumbai-based firm **Tuli & Co** in expanding the types of services it can provide. It will operate in the UK and India, as well as Dubai. Heading it up, partner Adosh Chatrath said: “It became clear that within the firm a number of us were acting for some

significant businesses that have a strong Indian focus and had built up considerable experience.” But there had also been a “sudden increase in interest from Indians wanting to invest in the UK,” he said. “It is the perfect time.” In May, **Kennedys** became the first law firm to join the Commonwealth Trade Initiative, both as a corporate partner and a ‘legal mentor’ to companies using the new cloud-based Commonwealth Trade Platform.

And **Dentons** is gearing up to become what – it says – will be the first global law firm to have offices in Central America if a merger with Costa Rica’s **Munoz Global** goes ahead. Global chief executive officer Elliott Portnoy said the move was the latest in a number of steps to gain strategic strength in the countries of Latin America.

“Since our launch in Mexico and Colombia earlier this year, cross-border work into and out of the region has grown rapidly, demonstrating that clients see a great advantage to being served by a global firm that can offer the best locally informed legal counsel and business advice.

“Given the interconnectedness of the economies of Costa Rica, Panama and Nicaragua, we see opportunities to serve clients further through more intra-region work as well.”

But despite what it describes as its “polycentric” culture, the firm has also opened its first shared services centre in Polish capital Warsaw. This will house certain process tasks previously carried out across numerous offices, including aspects of HR, BD, IT and finance, intended to increase both global consistency and cost-effectiveness. Global chair Joe Andrew said the move marked the start of a “global shared services strategy – a key integration initiative that aims to improve the quality of business services provided to lawyers across the firm.” Suitably heartwarming.

So I guess it’s better presence for all concerned – may your own also prosper in 2017. ▴



**HELEN BUNKER**  
Partner and divisional director for private law –  
Blake Morgan

Our priority is staying ahead of the game in terms of understanding what potential legislative changes will mean for our private clients if Article 50 is triggered. The impact of Brussels IV legislation [on cross-border succession] is already being felt for those clients owning assets in other European countries, and there will be more twists and turns to come next year, I have no doubt. Our clients' interests increasingly span more than one jurisdiction. 2017 promises to throw up yet more challenges, but we're ready for them.



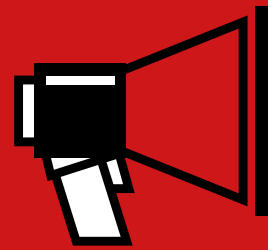
**STUART WHITTLE**  
IS and operations director – Weightmans

2017 will see Weightmans launch a brand new firm strategy and ambitious framework, placing the clients at the very centre of everything we do, as well as positioning ourselves for growth over the coming years. We will undoubtedly encounter challenges in executing that strategy, but the preparatory work done in 2016 around technology, business process re-engineering (with value from the perspective of the client at its core) and firm-wide engagement will put us in the best position for a very successful year ahead.

LEX POP

## What happens next?

After a turbulent 2016, what's your top business priority for ensuring 2017 Trumps it?



**DAVID IRVINE**  
Client development director – DWF

Our focus remains on building strong relationships by anticipating our clients' needs and changes to their markets, and offering contextually and commercially relevant advice and solutions. However, the challenge for us – and for all firms – will be to adapt to the changes that both Brexit and global economic headwinds present to our clients. So it is within this context that we continue to make the investment required to ensure we can offer our clients a strategically different level of understanding and insight into both their legal and business issues.

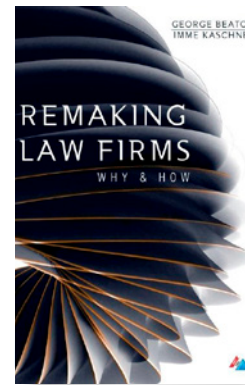


Do you have a view? Or an issue that we ought to debate? Have your say on Lex Pop – tweet us @ Briefingmag or email [briefing@lsn.co.uk](mailto:briefing@lsn.co.uk)

## READING LIST

# Remaking the mould

Stuart Peggie, global business manager for Eversheds, finds *Remaking Law Firms: Why and How* a well-timed and well-built book for a new era of legal, business and structural uncertainty ahead



**E**ven before the Great British public was asked to vote on whether the UK ought to remain a part of the European Union we all knew that the legal industry was starting to change – that law firms were going to need to get themselves up to date. But the result of that vote has very possibly escalated the need for review, and even a change of direction for many (at least if you believe the doom merchants). Hourly rates, reliance on loyal clients, jobs for life and ‘we’ve always done it this way’ are gone. Now it’s all about innovation, global domination, value and technology.

*Remaking Law Firms: Why and How* has an impressive cast of contributors from all sorts of different backgrounds – and it works well as the content covers such a broad spectrum. As a manager of more than 16 years I appreciate the black-and-white approach of the book, combined with the way that each area is followed up with a case study. In my opinion, there’s nothing worse than a hugely technical (read: boring) set of chapters that are all about an author’s opinion. My preferred way of learning and improving is to hear from a variety of people about what they’ve done, why they did it – and, of course, how it went. That then leaves me free to think about whether it would be suitable for me and my firm. Change (type, pace, method) is not a one-size-fits-all.

Dr Beaton and Dr Kaschner have

wisely split the book into manageable chunks. This means it can be read cover to cover (as I did), or treat it more as a reference book to dip into depending on what is flavour of the month. I see no reason that a reader couldn’t jump straight into chapter nine, for example, immersing themselves immediately in pricing and fee arrangements.

That said, of particular interest to me was the focus on globalising and process improvement. These areas really resonated with my role and the journey that I’m on here at Eversheds. Continuous improvement is a massive challenge, especially across multiple jurisdictions – so it was great to read how others are tackling things.

I’ve also found that finding a book written for senior managers who work across the various areas of business service delivery is fairly unusual – so that was a pleasant surprise.

But perhaps the biggest theme I picked up is that it’s all about the clients. They will drive how we all operate. Well, of course, we all knew that, right? But it never gets boring to hear it. We know it, but we love to keep hearing it.

Now, don’t get me wrong – Beaton and Kaschner can’t give us all the answers. This book’s 250 or so pages aren’t going to be the complete solution for the next 100 years. But I found it thought-provoking, interesting, well-written and helpful when faced with the question ‘what now ...?’

**Publisher:** ABA Book Publishing  
**Publication date:** March 2016  
**Price:** £53.48  
**OFFER: 30% off – visit website ShopABA, register and enter code PAB16REMAKE**

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# WHAT'S ON YOUR WHITEBOARD?



Kristina Oliver, head of marketing at 'virtual' law firm Keystone Law, says she has the freedom to get creative in her campaigns to free up the lawyer's way of life – and she wants to keep it that way

## Q What are your core responsibilities at Keystone?

**A** The marketing remit is a varied one. I work side by side with individual lawyers to generate new business opportunities for them individually, as well as in teams – and also raise the firm's profile to drive its growth strategy both on the client and recruitment side. We use a full marketing toolkit and exploit it where we can – from bold PR stunts (we chained a lawyer to his desk in Liverpool Street Station to showcase a career in law doesn't have to be like this), to sponsorships and alliances positioning the firm alongside the right partners to raise our profile in key sectors. Of course, some of our marketing is what you'd see in a traditional firm – client newsletters, for example – but we have a lot of fun with the recruitment initiatives, such as the lifestyle calculator that reveals how a lawyer's life would change if they joined us.

## Q Have previous roles outside legal influenced what you've done at Keystone?

**A** During my time at Odeon, almost 15 years ago, digital marketing was the norm – and it

surprised me how far behind law firms were when I made the leap into professional services marketing. It's refreshing – I'm able to implement digital marketing techniques previous law firms weren't prepared to invest in, and the results have been incredible. Odeon also had a very fast-paced, progressive marketing culture. Every week there were different films to market. You had to be proactive, to act fast and really know how to reach the right audience to stand out from the competition – and the same applies here.

## Q What are you proudest of achieving in your career?

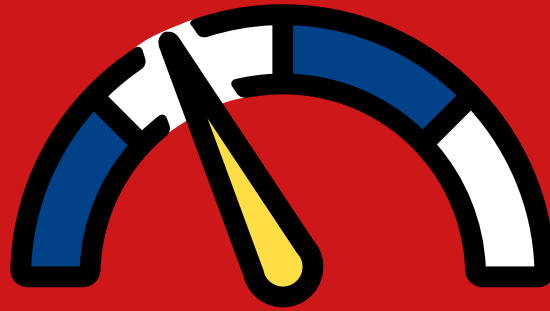
**A** I took a call asking if I wanted to join Keystone around three and a half years ago. The firm wasn't really on anyone's radar then – only just in the UK top 200 – but I could see the potential of the model and a huge opportunity to really make a difference as their first marketing professional. A few years later, and we have tripled revenue, recruited over 100 senior lawyers, and we're about to breach the top 100. Now when I say I work at Keystone, the response is no longer "Who?", but "Oooh."

## Q What do you most enjoy about the job?

**A** The way we work as a team. We have quite a small marketing team considering the size of firm – around 1:40 partners. But we have a big impact on the business and can see the results, both from the one-to-one BD plans I develop with lawyers through to the firm-wide recruitment campaigns. The level of trust and control I have is also great. I sit on the board, set my own budgets and drive forward the strategy and vision. Without the partnership structure, I can make quick decisions and get to seize opportunities.

## Q What will be your biggest challenge in 2017?

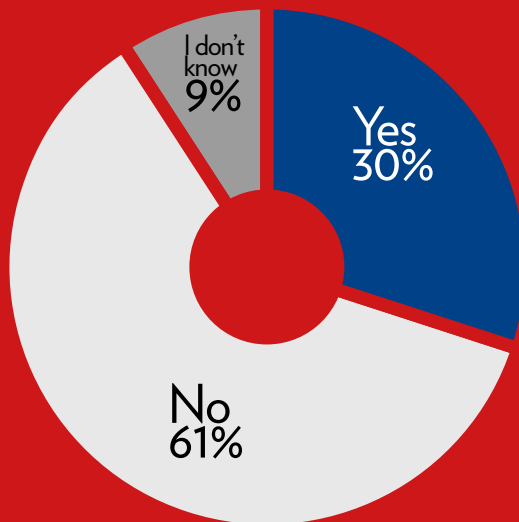
**A** We're growing at a phenomenal rate and have always had a very collegiate and social culture. We host lots of events to bring the lawyers together so they get to know each other in person and feel part of a community. As we expand into new jurisdictions and regions – and simply get bigger – ensuring that ethos isn't lost is definitely going to be a challenge but one we look forward to tackling. ▀



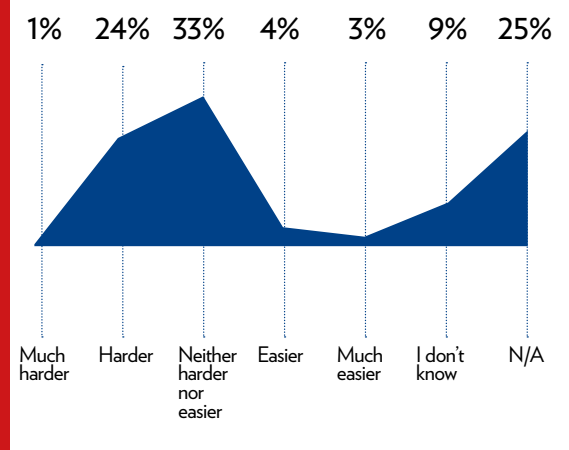
# Brexit barometer

As the battle over triggering Article 50 continues through the courts, **Briefing** conducted its latest snap poll on how firms feel about Brexit in November 2016. And although it's early days – and uncertainty still reigns supreme – change of some description is certainly afoot ...

**1** Has your firm's growth strategy changed in any way at all as a result of the referendum on the UK's European future in June?

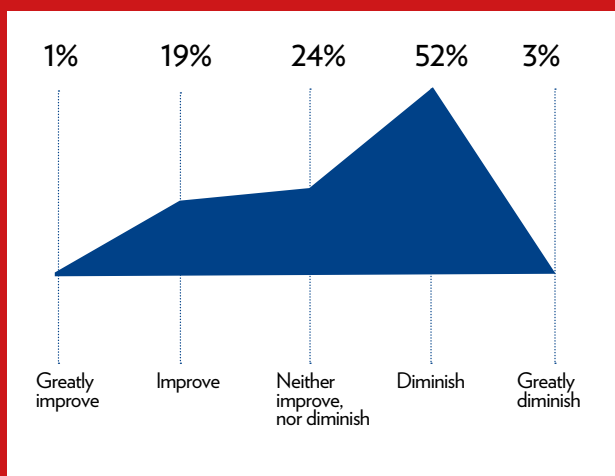


These results don't necessarily mean that firms are putting any expansion or hiring plans on ice of course. Perhaps they're redeploying skills, sharpening up or scaling back in specific practice areas, or even investing in new business development initiatives to take advantage of business change on the horizon.



**2** Will the referendum outcome make it harder or easier for your firm to grow internationally over the next two years?

A third of respondents think the next two years of relative uncertainty will make little difference to their international growth chances. A quarter apparently aren't interested in growing that way anyway. But significantly more law firm people believe building their brand overseas will be harder, rather than easier, in the years ahead. Not that business in their domestic market will necessarily be any easier anyway ...

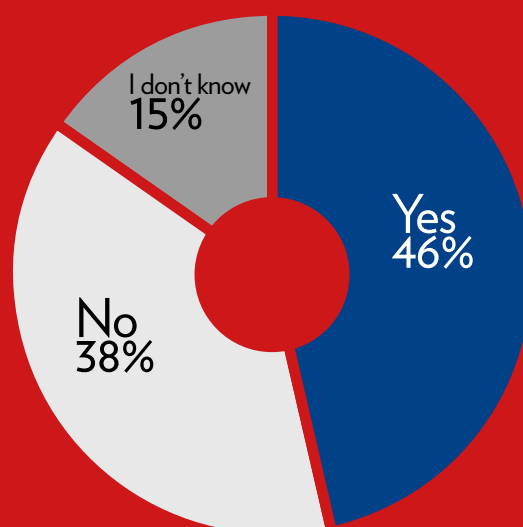


### 3 How do you think the EU referendum will affect the UK as a destination for international investment in the next three years?

We can't know what the future holds in terms of the UK's trade deals, but however that goes, more than half of respondents say they believe that the period of Brexit wrangling will have a negative impact on investment in the UK as a whole from overseas. It's time for somebody to come up with a plan. However ...

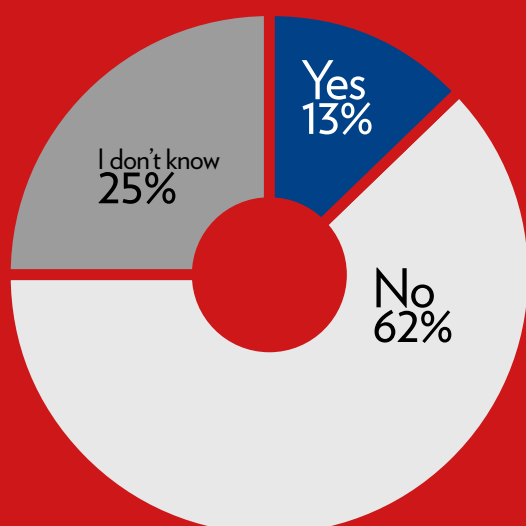
### 4 Is your firm's risk committee or leadership team 'scenario planning' different possible Brexit outcomes?

Do half of the firms represented here know something the others don't? Is Brexit really too difficult a risk factor to find a way of working into your strategic planning? And if nothing else, are firms at least planning for how Brexit forces could impact the competitive landscape in legal over time, and considering what that might mean for their levers of productivity?



### 5 Has the EU referendum result in June had any negative effect on your firm's ability to attract new international employees to work in your UK offices?

One of the most commonly raised concerns about Brexit's possible impact on business is whether eventual changes to migration policy – or indeed the climate in the meantime – will affect your ability to have your pick of a global talent pool. But three-fifths of respondents say that this hasn't been a problem so far. Just over a tenth (13%) replying 'yes' is not insignificant, however – although no one reported any "negative effect" on movement of existing employees between other offices in the network and the UK.





## NEWS FROM THE THOMSON REUTERS ELITE COMMUNITY

### Are you an Elite client?

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Hi everyone. It's a pleasure to be back in touch with you in this, the latest Thomson Reuters Elite update in Briefing. 2017 is just around the corner and we could not be more excited about what the coming year holds, including us moving into fantastic new offices in Canada Square in London's Canary Wharf.

But as 2016 draws to a close, we want to take this opportunity to say a huge thank you to everyone across the Thomson Reuters Elite Community for helping make the last 12 months such a great year of ongoing growth. Elite really has gone from strength to strength, with so many of our market-leading solutions hitting new milestones as global uptake continues to grow. Here's just a snapshot of what's been achieved in 2016!

# 2016... THE YEAR IN NUMBERS

## 3E GOES FROM STRENGTH TO STRENGTH

**176**

FIRMS WORLDWIDE  
HAVE SELECTED 3E

- **116** firms now live
- **31** firms to go live in next 12 months
- **34%** of 3E customers migrated from Enterprise
- **\$27 billion** – combined global revenue of firms that have selected 3E

## BUSINESS DEVELOPMENT PREMIER CONTINUES TO GAIN MOMENTUM

**44**

FIRMS WORLDWIDE HAVE  
SELECTED BUSINESS  
DEVELOPMENT PREMIER

- **#1** reason CRM systems fail is bad data
- **60%** of a firm's contacts are never added to its database

## eBILLINGHUB HITS NEW HIGH

**\$250B**

INVOICED SINCE 2008

- **15** million bills processed to date
- Firms get paid on average **14 days** faster when using eBillingHub

## ELITE SOLUTIONS ACROSS UK 100 FIRMS

**60%**

USE ONE OR MORE ELITE  
EBMS PRODUCT

- **25%** use two or more Elite EBMS products
- **46%** own an Elite Financial Management product

## LEGAL TRACKER PASSES MILESTONE

**1000<sup>th</sup>**

CUSTOMER

- Legal Tracker continues to grow and now has over **250,000** users worldwide

## ELITE SOLUTIONS ACROSS AM LAW 200

**89%**

USE ONE OR MORE  
ELITE EBMS PRODUCT

## ON-GOING MATTERSPHERE SUCCESS

**174**

FIRMS WORLDWIDE HAVE  
SELECTED MATTERSPHERE

- Record breaking 4 EMEA firms went live on MatterSphere in **less than 2 months** during June/July 2016

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## SPEAK UP

# Can you find the words?

It's hard to keep up with Brexit – never mind to turn that into client comms – but it's also a good opportunity to reflect on some BD principles, says Clare Quinn-Waters, senior client development manager at Baker & McKenzie



Just as we'd come to terms with the prospect of the 'everyone else' queue at the airport, the Lord Chief Justice announced that the government can't trigger Article 50 without a parliamentary vote. Thankfully we all knew that the US election wouldn't throw up any big surprises ... but so it is, that a piece originally about how to communicate Brexit now explores communicating seismic change when we really don't know what that change means. The principles could easily apply to 'Trumpageddon,' Brexit – or indeed the chocolate/no chocolate ratio on your Christmas bar of Toblerone.

But let's take Brexit as our example. Before the vote there were lots of events, all essentially coming from the same position – 'it'll never happen, but let's at least indulge the concept for a moment before we all hit the wine and canapés.'

Firms established some working groups, and produced papers outlining various scenarios, but it was hard to do much more as we didn't know whether Brexit would happen – and if it did, what it would look like. Then the result came in.

The national firms pushed well-researched information out fast. Perhaps being based out of the City bubble (that 'metropolitan elite'?) had given them greater insight into the way the wind was blowing?

But the magic circle and 'global elite' of firms

were similarly well prepared to leap into action. There was much hosting of webinars and teleconferences on 24 June, although IT departments might have had cause to panic. Could the systems cope with hundreds of anxious participants? It felt like the Millennium Bug all over again.

And are we any the wiser? As it became clear that exit negotiations would be lengthy – and with the government unwilling to disclose its position ahead of triggering Article 50 – the challenge for law firms has changed. The test became how to speculate intelligently and manage to be a partner to clients, to best position their businesses for what may lie ahead.

Common wisdom dictates that lawyers do well out of the misfortune of others, but a recent report from PwC finds that Brexit is also the number one concern for us law firms in the UK.

So in the absence of the easiest of answers – here are my top BD tips for being responsive as the Brexit story continues to unfold:

1. Expect the unexpected – it will help you communicate faster, and more clearly, when the time comes.
2. Partner with clients to understand more of the nuances of their business, and so how Brexit uncertainty might impact them specifically.
3. Use blogs to get timely, and time-sensitive, updates out fast.
4. Tailor your client alerts by how developments will affect them specifically.
5. Be on standby for issues as they arise – could you create a Brexit hotline?
6. And innovate. Some firms are deploying artificial intelligence tools to review client risk. Could this even be your big opportunity to differentiate what you do? ▀

**The challenge for law firms has changed. The test became how to speculate intelligently and manage to be a partner to clients, to best position their businesses for what may lie ahead.**

# Robot mores



Firms needn't be spooked by AI understanding their business – it has been a long time coming and could be just the added value you need to work smarter in other ways, says Damien Behan, IT director at Brodies

Inspired by the Fringe Festival that lands here in Edinburgh ever summer, I was tempted to call this column “Aye, Robot” – concerned, as it is, with the rise of artificial intelligence (AI) in law firms. I think you'll agree it's best to leave jokes to the professionals.

AI is getting serious, though, and is in vogue – from spooky TV drama *Humans*, depicting a world where humanoid robots become conscious and run amok, to the likes of Stephen Hawking, Elon Musk and Bill Gates warning that uncontrolled AI could wipe out humanity. Closer to home, here in the legal sector there has been an increase in predictions it will revolutionise the practice of law. And we've seen some real-world, practical examples emerge.

But let's step back and reflect on what AI truly means in this context. AI may be weak or strong. Strong AI tries to replicate human intelligence, and is the branch Hawking et al are concerned about. But it's weak (or narrow) AI we're seeing in the context of legal work – the application of computing resource and machine learning to the narrow focus of ‘understanding’ large bodies of content. It helps to think of AI intelligence not in the sense of our human intelligence, but the intelligence the security services rely on – information gathered, sifted and analysed to help guide decision-making.

Whereas ‘big data’ helps us to make sense of structured information, the legal AI being

deployed now is about processing and analysing unstructured data in the form of written words, to derive meaning from it and to query it using natural language. The technologies behind Siri, Amazon Echo and Google's search interface all use AI to better ‘understand’ the questions we ask – and to determine answers by analysis of vast oceans of content from multiple sources.

Machine learning is adept at understanding what ‘normal’ looks like, and then identifying variations – so it's ideal for analysing, for example, a large volume of contracts, and identifying which are non-standard, potentially causing a problem. As the name suggests, the machine learns what the documents contain, and extracts entities and concepts, without having to be told what the data is, or exactly what to do.

It may feel new, but the use of such technology to understand large bodies of content has been evolving for many years in the e-discovery world – in technology assisted review. So what we're seeing today is evolution rather than revolution.

In its current incarnations, at least, we've little to fear. And if a single lawyer can use AI to review in a single day, documents that would take a team of 20 a month, it will free up time for work that computers can't currently do: understanding the nuance of client problems, and resolving complex issues that aren't well defined. So the rise of the robots is, for now, a positive move – even if, like me, they aren't great at writing jokes ... yet. ▀

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Professor Tom Davenport advises preparing now for an age of AI augmentation

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The client value team at Reed Smith on the process of taking matters into their own hands

# Dream machines?

Law firms are talking the talk on automation, but it's augmentation they need to be thinking about as the artificial intelligence options multiply, says MIT fellow and Harvard and Babson College Professor Tom Davenport

Words Richard Brent

**T**his year will be remembered as, if not the year of artificially intelligent (AI) legal business, at least the year of the AI-themed press release. The large law firms lined up to parade their new partnerships with technology companies (and in some cases the fruits of solely their own labours), saying they could use the power of advancements in machine learning to automate larger and larger swathes of legal process. From mega deal due diligence to mitigating contracts' exposure to an eventual Brexit, clients could expect not just a faster, more efficient service – but with machines taking more control, also a service at lower risk of human error. In February 2016, meanwhile, the English High Court approved the use of predictive coding in electronic disclosure exercises – and in May BLP won the first contested application to follow this route. A petitioner was ordered to use the technology instead of

the more traditional, but time-consuming, paralegal inbox trawl. And although the case that led to the first ruling involved some three million documents after de-duplication, the contested case's workload was in the region of a mere 500,000 – a sign it could be a more common practice than some, perhaps, anticipated.

But did the spared paralegals, one wonders, breathe a sigh of relief? After all, the AI spurt we're seeing coincides not only with the immediate economic impact of what the Economist Intelligence Unit's Alasdair Ross has called the 'fog of Brexit,' but also a year where PwC's 25th law firms survey finds "spare capacity has increased and is a cause for concern." Law firms' strategies in 2017 are likely to look very closely at the optimum movement and regrouping of their people – and if that's the case, why not at whether they could be profitably removed from involvement in certain processes altogether?







## “If lawyers are expected to research more easily, directly, themselves, then the firm’s knowledge and library functions may also be under threat.”

### Career changes?

Of course, the suggestion that legal is a sector that automation has in its sights for, if not complete destruction, at least large-scale disruption isn’t a new one. But Professor Tom Davenport, the president’s distinguished professor of information technology and management at Babson College (and co-founder of the International Institute for Analytics), says the industry has at least one thing going for it.

“Professional services are quite a change-resistant set of businesses. So I think it will be quite a while before we have lawyers and accountants on the streets, lamenting their downfall.

“But this is a creeping process. In the US at least, jobs that might have been the last resort of lawyers who didn’t make the fast track – roles around document review, for example – are being automated at a pretty fast rate. It’s much more difficult for entry-level lawyers, perhaps who didn’t go to the ‘best’ law school, to get the job they want.”

And it’s not just the law. Davenport continues: “We see the trend in other areas of professional expertise as well – even radiologists and pathologists. There just aren’t as many as openings in these areas now. Nobody’s getting fired, but the problem manifests itself at the point of entry.

“That, in turn, raises the interesting question of where the senior experts and leaders of the future will come from – and my

basic view is that nobody has really thought about that in a serious enough way. Legal recruitment still tends to mean ‘we’ll hire the best graduates from the best law schools,’ but I’m not sure that’s the wisest approach in isolation.”

Firms have already been challenged to design appropriately incentivised alternative career paths as their lawyers find it ever harder (or even undesirable) to invest in the time it takes to slog up the partnership track. What if they now also need to design new careers paths entirely to skip past the parts and skillsets future AI-enhanced teams can do so much more productively?

“They should certainly be doing some work design now to begin to understand what humans and machines will do in the future. And – assuming they’ll be working together – starting to get people ready for that future.

“They also need to be aware that they’re unlikely to find people straight out of law school who are any more advanced in technology any time soon. Law schools have been slow to adopt these technologies so far themselves. Most of the professors, even, don’t know anything about them, so they’re hard pressed to teach anything about them.”

And lest business services roles lean back with a grin, what will it mean for those supporting them if fee earners are expected

to bring other skills to the table? One example: “If lawyers are expected to research more easily, directly, themselves, then the firm’s knowledge and library functions may also be under threat,” says Davenport. Or if lawyers are suddenly freed up to spend lots more time out courting their clients, what impact does that have on the resourcing requirements for BD?

### Augmenting options

It’s perhaps at this point to mention that Davenport is an optimist compared to others who have written extensively on this topic. Although these ‘robots’ may replace some jobs, he says, others will need to be created to shape and guide the process of how business – and society – works alongside the new advances in machine learning. And savings from productivity gains could be used to finance the training and development needed to help people step into those roles in a less disruptive fashion.

He explains, however, that as career paths are indeed (hopefully) redesigned, those forging and following them may also need to learn to see their working lives somewhat differently – accepting a new distinction between a ‘job’ that you do and the ‘task’ that needs to be completed.

In his new book *Only Humans Need Apply: Winners and Losers in the Age of Smart Machines*, Davenport outlines five specific ‘steps’ professionals may need to take to find something useful to do in a world where AI is doing significantly more of what they used to do.

“We call them options for augmentation,” he says, (he has

**“If you’re curious and enterprising, we believe you can preserve your professional employment if you’re willing to work more closely with machines, invest time in understanding how they work, and figure out how you might best fit into the overall process.”**

co-written the book with Julia Kirby, contributing editor for the Harvard Business Review). “If you’re curious and enterprising, we believe you can preserve your professional employment if you’re willing to work closely with machines, invest time in understanding how they work, and figure out how you might best fit into the overall process.”

Admittedly, one of those steps is simply to “step aside” – to let machines take over and accept you’ll need to choose something computers aren’t as good at. And then there is to “step narrowly,” which means to find a specialty area that it simply wouldn’t be economical to automate.

Davenport says: “One of the examples we found when researching the book was that instead of pursuing commercial law, you could perhaps consider equine law. But then we discovered there actually is a software programme for

automating horse law,” he laughs. “Then, somebody told me they had a relative who thought it was getting too crowded in commercial litigation. So he moved into cases related to the malfunctioning of automatic garage door openers. Presumably, that’s a sufficiently narrow field for nobody to have a go at some software for it.” And even the mind-boggling world of horse law won’t be automated in its entirety. “The idea is to find something niche enough for a developer not to be tempted to try to make millions out of its automation,” he says.

That leaves us with “stepping in” (being the person who helps to monitor and improve automated decisions over time), “stepping up” (making the most senior decisions about the management of the augmentation process – workforce/machine planning) and “stepping forward” – biting

## CV



Professor Thomas H Davenport

- 1999-** President’s distinguished professor of management and information technology, Babson College
- 2012-** Visiting professor, Harvard Business School, founder and teacher of executive education programme: Competing on analytics and big data
- 2010-** Global senior adviser, Deloitte Analytics Institute
- 2010-** Research fellow and lecturer, MIT Sloan School of Business and Centre for Digital Business. Teaches in executive education programme: Big data: making complex things simpler
- 2009-** Co-founder/director of research, International Institute for Analytics
- 1998-2003** Partner and director, Accenture Institute for Strategic Change
- 1998-2000** Professor, management information systems department, Boston University School of Management
- 1990-1994** Partner and director of research, Centre for Business Innovation, Ernst & Young
- 1989-1990** Director of IT research, McKinsey and Company



## Steps in the right direction?

Davenport says business leaders need to begin mapping the future of their workforce today. Which steps will your organisation need to make?

- **Stepping up** – moving a level above machines and making high-level strategic decisions about augmentation.
- **Stepping aside** – letting machines take over. Instead choose a job that computers are less accomplished at ... for now.
- **Stepping in** – monitoring and improving a machine's automated decisions to make them even more productive.
- **Stepping narrowly** – finding a business area niche that it wouldn't make financial sense to automate.
- **Stepping forward** – helping to create the next generations of the technologies in the machine-learning journey, paving the way for even more efficient data-driven decisions in future.

the bullet, and getting involved in creating the next iteration of the technology that could leave you redundant in the first place.

### Helping yourself

But each of these paths that's more 'engaged' with AI sounds like it might involve a fair amount of human reskilling. Several firms are already hiring teams of data scientists to help with their pricing and project management decisions – so, will they really see value in retraining their lawyers in disciplines such as coding?

"It's not so much the coding anyway," corrects Davenport.

"That work will be automated too – according to Bill Gates at least, who I tend to trust on these matters," he laughs. "But there will be plenty of work to do around planning and adjusting business strategies to include AI data productively.

"For the book, we interviewed one attorney – an e-discovery expert – who saw an opportunity for firms to take the findings from e-discovery work and adjust their case strategies accordingly. He just didn't see much of that happening. Instead, they were just very content that computers were now doing their boring grunt work – and paid it

no more attention than that.

"Another lawyer with a traditional legal career left the partnership track in the financial crisis. But he saw signs of document review disappearing, so he transformed himself into an e-discovery expert. He went to some conferences, he started listening to the tapes, and he found a programme that would help him to pick up the new skills he needed.

"You need to be motivated and open to exploring – it won't all come nicely packaged – but it can be done. Law firms ought to give their people some time and pay for their courses.

"Of course, there are some lawyers who are more open to learning about adjacent fields, such as technology, than others."

### Stepping in time

But deciding on the direction you're going to step is surely further complicated by the very latest developments in cognitive computing – the launch in 2014 of IPsoft's virtual agent Amelia, for example, harnesses an ability to analyse intents and emotions more efficiently than (some) humans. What, then, becomes of so-called 'soft skills' when computers can increasingly analyse data on the rhythm of voice and key strokes, or pick up on facial expressions and the temperature under the collar to compose the optimum response to a frustrated customer query? In May 2016, IPsoft and Accenture unveiled the new Accenture Amelia practice. So perhaps we'll have an idea, at least, reasonably soon.

"We do say that whichever step you decide to take, you'd better step quite lively," says Davenport. "However, I'd be



surprised if true client relationship management tasks were handled by machines any time soon. In the long run I'm afraid all bets are off – but my feeling is that the role of representing the firm's capabilities ought to be good for a couple of decades.”

But he agrees that, although lawyers may rejoice in the freedom to spend more time on more fulfilling tasks in the business process, it may well be that clients aren't all that interested in being on the receiving end of yet more partner sales pitches.

“I do tend to be optimistic – in part because we've seen that these changes tend to happen quite slowly when they happen

**“There's an opportunity for professional services firms, both to show they know these changes are coming and to prepare for them properly – quite possibly before others do.”**

to other industries. In the US, for example, there are about as many bank tellers in 2016 as there were back in 1980.

“That was before ATMs and online banking came along. It's rather surprising, but those employees are doing other things. Job elimination tends to happen slowly.

“However, I do think there's an opportunity for professional services firms, both to show they know that these changes are coming and to prepare for them

properly – quite possibly before others do.”

Cutting through the noise generated for cost-conscious clients, however, the big question is where to start. “Moving toward adopting a philosophy of augmentation, rather than automation, would be a good idea,” says Davenport.

“And saying – or even thinking – you're just going to get rid of as many lawyers as possible would probably be a very bad one.” ▲

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TEAM PROFILE

# Price cream

The UK client value team at Reed Smith stay consistently close to the complete path of every matter they take in hand

Words Richard Brent Photography Simon Brandon

**B**riefing has followed the rise of the pricing professional for some time – but what constitutes a productive, innovative pricing team?

The client value team at Reed Smith are three years into understanding and honing their version, and it helped that the UK-based Europe, Middle East and Asia team took a model that has been well established in US offices for seven years, says Gareth Hughes, head of pricing and legal project management for the EMEAsia region.

“A really important aspect is that everyone has both the confidence and capability to join partners in meeting clients. It runs right down to our intern programme,” he says. “In addition to pure pricing

work, LPM and analytics, we often support on business development and knowledge management initiatives, and we all work very closely with our colleagues in those groups.”

Jack Martin, pricing and legal project manager, adds: “Before the team came along, many partners had quite an administrative burden preparing parts of proposals for client meetings. Our presence allows them to stick to their core strength of providing legal advice.”

### All for one

Another of his team’s strengths, says Hughes, is that everybody is dual-qualified in the legal project management skills to keep the outcomes of

PHOTOCREDIT: SIMON BRANDON



Above (left to right): Carlo Adduono, pricing and legal project manager; Gareth Hughes, head of pricing and legal project management, EMEAsia; and Jack Martin, pricing and legal project manager, Reed Smith

meetings on track.

“Client value depends on continuous learning and improvement, so we have a cradle-to-grave approach for each project. One of the team will process-map, budget and price a piece of work for pitching – the same person then also manages delivery in terms of analytics and meeting milestones. Clients and partners have continuity.

“They’ll also perform another round of analysis once the matter closes – exploring what could have been better, and sharing that with both partners and clients to improve in future.”

Weaving team members deeply into individual pieces of work also helps internal efficiency. “You aren’t forever trying to chip in at various points or bring yourself back up to speed,” explains Hughes. “And partners don’t need to have versions of the same conversations. Little savings add up.”

### Profitable projects

And of course, underpinning all this is profitability. A subset of the team will also typically identify bespoke improvement projects for a practice area. In one case, says Martin, they reviewed pricing on global employment projects, identifying core inefficiencies such as currency conversion processes and write-off patterns.

“We started with a blank canvas and constructed an ideal case scenario with senior associates. The team was then able to design a new automation tool to reduce inefficiency.”

Another example is a series of process maps for training paralegals to take on new areas of work – and there are consultancy-style projects for clients, currently free of charge, such as a solution for analysing legal spend or advising on optimisation of a panel.

Longer term, these types of client projects could become another profit centre for the firm, Hughes says. “But our principal KPI is client retention,

**“Client value depends on continuous learning, so we have a cradle-to-grave approach for each project.”**

*Gareth Hughes, head of pricing and legal project management, EMEAsia, Reed Smith*

rather than profitability.”

### Role responsibilities

That’s why one change underway is to skill the team up not only to work more across practices, but also with a deeper understanding of processes in those practices. “We want partners to be comfortable that we’re as integrated into their processes as a fee earner would be,” says Hughes.

Martin adds: “There was also a conscious decision to develop pricing and analysis tools in-house for flexibility and robustness. We didn’t want to invest in something that couldn’t evolve as we do. Of course, we were fortunate to have the backing of key members of senior management to present such an opportunity.”

Pricing and legal project manager (but formerly in finance), Carlo Adduono, then adds his effort to the efficiency drive by overseeing training on the team’s changing technology (currently around 20 systems). For that reason, he also takes charge of the intern programme. “I’ve been with the firm for nine years, so my knowledge of legacy systems is helpful,” he explains. “As we place high value on having a diversity of backgrounds, some of our interns are truly starting from scratch. I can quickly bring them up to speed on processes like reporting.”

Following a one-off real estate project, he has also investigated options for further efficiencies using document automation.

A further and final value-add is the firm’s ability to share all types of project work with teams across the Atlantic. Hughes explains: “We have a ‘buddy’ system with our larger US team – and unified comms means we can reallocate priority work at very short notice. We can often really surprise partners with our speed of delivery.”

It sounds hard to put a price on that one, but this could well be the team to ask. ▀





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# Brain training

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### *Cyber assault course*

Andrew Powell, head of IT at **Macfarlanes**, recommends forcing your firm to defend itself

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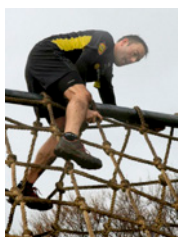
### *Creative education*

Jamie Bore, chief operating officer at **Ogier**, offers his advice for steering a strategic rebrand



**BEST PRACTICE**

# Cyber assault course



Launching a cyberattack on your own organisation might seem a little career threatening. But Andrew Powell, head of IT at Macfarlanes, found it was a risk well worth taking

W

ith the possible exception of ‘cloud’, ‘cyber’ is the single most overused, and most misunderstood, word across all of my voicemails and emails. A quick search of my Mimecast archive reveals several hundred mentions in the last three months alone. But understanding cybersecurity, and information security more broadly, is critical for any law firm. I joined Macfarlanes on the day that the Panama papers story broke and, as a result, had what might be described as a bespoke induction programme that involved far more time with the managing partner and head of risk than might have been the case otherwise.

There is no end to the number of services and products that can help address cyber and information security concerns – and there are plenty of people better equipped than me to write about them. But have you ever wondered what would happen if you launched a cyberattack on your own organisation? By the end of this article, perhaps you'll be tempted to find out.

Why did we do it? Our information security was in good shape. We had the government's Cyber Essentials scheme, and the ISO27001 standard was in place (and had just been recertified for a second three-year period). IT and risk teams were well aligned, with a shared risk register and agreed priorities, and our external biannual audits were glowing. What none of this deals with, however, is whether your staff will recall any of their e-learning modules months after completing them – or how the team might behave in the heat of the moment. It was the chance reading of an online article that highlighted the risk to IT systems from their legitimate users that made me want to see what would happen during an incident – and to do it properly I needed to tell as few people internally as possible. The result is probably the single most eye-opening project I have undertaken in more than 15 years working in law firm IT.

### Testing a weak link?

To be fair, I didn't launch the attack myself. We engaged with

**We agreed we would spoof an email from me on behalf of our IT helpdesk. The email was sent to every one of the firm's IT users asking them to reset their password.**

an external consultancy that does this for a living – and its insight was very helpful in determining what we were specifically trying to measure – for example, the fact that testing the behaviour of authenticated, genuine users of our systems is very different to testing the performance of the technology employed to stop a phishing email arriving.

The consultancy also gave us some benchmark metrics for how other organisations fared in similar exercises.

As for the 'incident' – we agreed we would spoof an email from me on behalf of our IT helpdesk. This email was sent to every one of the firm's IT users asking them to reset their password. The email was deliberately crude, using a non-standard font, a domain that was close enough to ours but also clearly different, and phrases that I never use on email. On the other hand, it was deliberately 'almost right' – no mention of Nigerian princes or bank fraud departments, for example – and using both my name and the firm's logo, both

taken from the website.

Appropriately, the email also specifically mentioned our own cybersecurity programme, asking all the staff to click on a link, enter their existing password into a web page, and click again to start a download.

At this point, you may wish to pause to consider what percentage of your own staff might be likely to complete those three tasks.

As this test was all about user behaviour and reactions, not our technical defences, I had to bring the team responsible for email security into the loop or it would have been a very short and underwhelming exercise. We agreed to allow a route through from the consultancy's system to ours, and tested to ensure that the emails wouldn't automatically be rejected.

Immediately before starting the attack, I diverted my phone to voicemail, set an out-of-office message – and then hid in a meeting room. I warned our compliance officer for legal practice, but not the IT helpdesk.

So what happened next? For a few minutes, absolutely nothing. Then a few calls started coming into the helpdesk – followed by dozens and dozens more. At the same time, I started receiving voicemails – lots of them – and forwarded emails, asking whether the requests were genuine.

Helpdesk couldn't reach me (deliberately, of course) and correctly advised that the email had been faked. However, voicemails from the helpdesk



manager became more frequent and forceful. The secretaries took it upon themselves to warn their colleagues.

Additionally, one of my IT department colleagues (who should really consider a career at MI5) had traced the emails back to the consultancy's server within a mere 10 minutes – and was in the process of commissioning a denial of service attack on it when I intervened. All very positive, and behaviours you would hope to see when confronted with a scam like this one – the collective response was far better than expected, especially the use of informal methods to warn other recipients.

### Paying per click

Although the route into the firm was only left open long enough to receive the emails, I didn't confess to all staff what had happened until the next day. Now, in common with our own

staff, you may be wondering who fell for it, and how our 'performance' compared to others. The breakdown is as follows: 5% were out of the office, 20% clicked the link in the email, 8% entered a password into the website; and 4% clicked to start a download. I was assured by the consultancy that this is very much at the better end of the scale, and this is borne out by discussion with other firms that have done something similar – although it must be said debate around whether people had correctly spotted trouble or just ignored an email from IT was

inconclusive.

In summary though, this was an enormously worthwhile exercise that gave us some comfort that our staff would respond well in the event of an actual incident. Our helpdesk team clearly performed well, and spreading the word through the legal teams was more effective, and faster, than expected.

As the 'test' required three distinct actions from the recipient, we also gained some very useful information about where to target future face-to-face training – which is much easier to schedule when you've just demonstrated a lawyer's apparent willingness to enter a password into a website and download an unknown file.

It's also reassuring when nobody in the finance team clicks through – reputation and financial risk are major concerns, and law firm finance teams are frequently targeted. ▴

As the 'test' required three distinct actions from the recipient, we also gained some very useful information about where to target future face-to-face training.





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## HANDS ON

# Creative education

Jamie Bore, chief operating officer of offshore law firm Ogier, learned a lot in the process of rebranding – it was also an education in some key principles of people management

Our rebrand process began in 2014, when the management board looked at the existing branding materials and came to the conclusion there was something missing. For a start, it looked strikingly similar to the branding of a lot of our competitors – rather on the conservative side, with ‘old-school’ blues and whites. But more fundamentally, it didn’t say anything about what Ogier ‘is’, about what we think is important, or about what differentiates this firm from other firms.

That didn’t make sense to us, as actually there are a lot of things that differentiate Ogier from other offshore law firms.

For example, we were the first trans-Atlantic offshore law

firm, the first to operate out of mainland China, the first to open an office in Luxembourg and the first to make a ‘non-lawyer’ a group partner. When surveyed, 97% of our clients also said not only that they would reinstruct us, but also that they would recommend us to others. We like to do things differently – to pinpoint what really matters and to make life easier for our clients.

It stands to reason that our branding should reflect that, and should make Ogier stand out too. All we knew was that at that time, it did not. In addition, it didn’t reflect the way that we saw the offshore legal market changing, in terms of the demand for efficient and effective advice, delivered by approachable and accessible people who understand their

needs, underpinned by the innovative use of technology.

The sale of our fiduciary business in 2014 also now gave us the opportunity to focus solely on the law. Plus, it brought in a new generation of partners with fresh ideas about how the future of offshore legal services looked, and therefore about how we should present ourselves to the world.

### Steering strategically

That's when we really knew we had to rebrand. However, you can rebrand anything you like – but unless it truly means something and accords with the wider business culture, it will just be an expensive way of changing your headed paper.

We decided that the right thing to do would be to have a brand steering group (BSG), which could contribute to (and ultimately make) all of the decisions, and that it would have to represent the views of the different strata, service lines and jurisdictions to give a representative voice.

In a firm of 350 people across eight jurisdictions, we selected 15 representatives from the different legal service lines, but also from business services, not only across all locations, but at different levels of the business. By selecting people based on their role, position and jurisdiction we believed a new brand had the opportunity to become a reflection and representation of the true culture of the firm.

One of the BSG's first activities was a survey of all employees. We asked everyone: 'What's your view on the current brand?' And the majority said that it wasn't dynamic enough,

that it wasn't modern. The second question was: 'What's your view of our culture?' Here, we happily heard the opposite – it's modern, dynamic, innovative and forward-thinking. We then took exactly the same approach with clients, asking for their views. That was incredibly important, as internal views might not always reflect the full perception of the brand. The clients backed the views of the staff, saying that the branding did not reflect the culture and service they had experienced, and saying that while the service that we provide stands out from the pack, our brand didn't.

It was at this point that it became crystal clear the exercise was about our philosophy, strategy and culture (not colours, logos and straplines). It was about people having a view on what we stand for.

I'm an accountant by trade – marketing isn't where my expertise or experience lies. While the project was very intellectually stimulating, our new head of marketing and I agreed that we'd also need to go outside for some help to guide us through the process. The clear choice for us was a London creative branding and communications agency, who impressed us not just with their portfolio but, critically, with the way they prioritised guiding us through the process and placing the strategy at the heart of the process, not the design.

The agency's first – and ongoing – job was to educate us through the process, in terms of the internal communications and managing our stakeholders. The BSG was largely comprised of lawyers and accountants like me – not people who do these



**In a firm of over 350 people across eight jurisdictions, we selected 15 representatives from the different legal service lines, but also from business services, at different levels of the business.**

things every day. I must say that the working relationship was brilliant. I felt like the agency's strategy director was really coaching us through it.

We eventually completed the full rebrand, including a new website, within five months. But with that kind of timeframe, the process requires significant project discipline. You can easily veer off course – getting completely sidetracked by what seems very important at the time, but really isn't. You need strong leadership to ensure you follow the process and produce great output.

Once we'd collated the results of client and staff surveys, the BSG and the agency organised a presentation to partners. By this point we'd arrived at a brand strategy built around 'getting straight to the point', managing complexity and delivering 'what really matters to clients'. Feedback was already that this was a good reflection of the



firm's culture, and also a strong differentiator from our competitors. However, we knew that we had to get the partners on side at this stage, before we'd even started to think about things like colours and logos. If we'd jumped straight to the end – 'it's a red O on a black background' – without saying why and how we'd arrived at that conclusion, we'd have struggled to get it sold.

Fundamentally, it's not a design process – it's a strategy process, the output of which is turned into a design and a logo. It sounds naïve saying it now – but I think that a lot of people walked into that room thinking 'we're going to be deciding the colour'. It emerged that the new colour was, in fact, the smallest element of it.

### Preferential treatments

The story so far might sound simple – but the process wasn't without its challenges. For example, different jurisdictions had different views because of the service lines that they cover, because of their own work culture, and even nuances in language. And this threw up a related problem – the COO balances three important roles: to complete the project on time, to complete it on budget, and to get a great result. It's clear that personal preference will be part of any branding exercise, but it's important to ensure that the project lead doesn't indirectly become the default decision maker. This is a real challenge when dealing with what is a highly subjective area.

It's also important to get everyone to understand the brand strategy without the distraction of those brand

visuals. For that reason absolutely everyone in the organisation also attended a workshop in small groups – where we only spoke about the strategy – to find out whether it truly resonated with people. In these sessions we also identified areas where we could all collectively take action as a firm to deliver on the new brand strategy (and ultimately, the enhanced service clients told us they valued). This resulted in some tangible actions getting developed and implemented by the business – for example, we don't send lengthy legal documents out without a short summary, we're concise in our communications and we cut out the 'noise'. That's all about that core value of getting straight to the point.

### Getting to creative

Only when the strategic process was finished did we embark on the creative development with the agency. Here the agency put up the logos and straplines of our competitors. What quickly became very apparent was that law firms are a homogenous group. Few firms were that far away from the traditional blue, which I thought was really interesting. Again, however, this felt like an opportunity to stand out from the pack.

Moreover, when we launched our colours what became apparent was that both clients and staff understood how we got to the design elements, including the 'O' representing 'simplicity' and getting straight to the point. They understood why we had done that, how it related to the brand strategy and how it wasn't just an arbitrary decision to have 'red on black'.

**It's clear that personal preferences will form part of a branding exercise, but it's important to ensure that the project lead doesn't indirectly become the default decision maker.**

We launched the new branding in all eight jurisdictions simultaneously, which we did by throwing a brand party and launching a new website, with collateral, staff and client gifts, and even a brand video. We really went to town on the promotion. There were lots of opportunities to get involved – which worked really well at getting people to buy into the point of the wider exercise.

Just over a year after the project, we won the award for best rebranding campaign at the Citywealth Brand Management and Reputation awards in 2016. Clearly, the process also taught us a few things – including that websites take a long time (far longer than you expect). You also wouldn't believe the number of places your brand can need physically switching – from the sides of buildings, to USB sticks ... and even company cars.

Most importantly, you have to have a great marketing team who are prepared to work long hours – and you have to hire the right agency. Don't skimp on the agency, because it's an invaluable guide on the journey to getting the right outcome.

Finally, if you don't all agree on the brand strategy first, you can't justify your design choices. If you don't get that right, everything comes down to unchecked personal preference – and then you're probably in a world of trouble. ▴





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## INDUSTRY CASE STUDY

# Purchase and scale

The chief information officer of McMillan Williams, David Fazakerley, says Thomson Reuters Elite 3E and MatterSphere have given his firm the agility to grow

**M**cMillan Williams, the largest consumer high-street firm in the UK, has seen impressive growth over the past three years. The firm's chief information officer, David Fazakerley, says it has grown 30-32% year-on-year and – through organic and acquisitive growth as well as substantial private investment from the Business Growth Fund – plans to continue scaling into the foreseeable future.

“To put the firm's development into perspective, three years ago we had 160 staff working across 10 offices and we now have 505 staff working across 24 offices. Over the next three years we plan to bring in up to 400 more members of staff and open 18 new offices. We also recently incorporated south London law firm Ormerods into the business, which has considerably expanded the firm.”

But until recently, he says, the firm was operating with a legacy practice management system that was outdated and inhibiting its potential.

“Our old practice management software had been in place for 10 years, so it was definitely time for a change.” When they bought it, he says, the firm only had 50 users – certainly not the case anymore.

It wasn't simply a case of outgrowing an outdated system. The firm needed a platform that could support its current size but that would also make provision for exponential growth and meet the needs of the firm's diverse and growing range of practice areas, including residential conveyancing, family, private client, injury, commercial, property disputes and civil and criminal litigation.

“Each department has a diverse set of needs that our new system had to meet. Conveyancers, for example, need balanced and automated workflow – while civil litigation has





PHOTO CREDIT: SIMON BRANDON



**“Our lawyers aren’t necessarily fixed to a single branch. They can move around as and when needed. So it was important the new system was flexible and accessible from virtually anywhere.”**



less workflow but needed time recording and document management functionality.”

But perhaps most importantly, he says, the firm needed a system that would enable solicitors to work from any of its branches.

“Our lawyers aren’t necessarily fixed to a single branch. They can move around as and when needed. So it was important the new system was flexible and accessible from virtually anywhere.” He adds that a virtual system also enables the firm to scale up as needed, provides fee earners with familiar applications that aid productivity, and paves the way for legal professionals to work from home or remotely.

### **Pride of place**

After an exhaustive business analysis review, where the firm investigated a range of products and took input from both fee earners and support staff from each of the firm’s departments, it chose Thomson Reuters Elite’s 3E financial management and MatterSphere document management systems for the job.

“It’s an excellent system that’s flexible enough to support thousands of users with diverse needs,” he says.

“The system integrates financial, matter and legal project management offerings, which have enabled us to optimise our firm’s processes across all locations, as well as boosting our efficiency in the long run.”

He adds that a key benefit is its usability and compatibility with familiar programs.

“MatterSphere has been designed with Microsoft functionality in mind – but perhaps the best aspect of the product is having practice and matter management modules in the same system. Our 3E screens for time recording and billing are tabs hosted within MatterSphere – so our users stay on MatterSphere screens and click on the tabs to move between modules instead of opening different systems.”

Another key differentiator, he explains, is that the products enable the firm to design conveyancing workflows that meet the business’s specific requirements. This enables the firm to





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scale at an even faster rate while reducing costs.

### Consistency counts

Another reason for selecting MatterSphere, according to Fazakerley, was that it would help the firm to provide consistency of client service across branches at the same time as taking on more work and reducing business costs.

“Maintaining quality service is vital for any growing brand – it should be as good in Bath as it is in Brighton,” he says.

But it becomes harder to provide consistent service as the firm grows larger and fee earners need to deal with more physical paperwork.

“Let’s look at conveyancing, for example – which makes up 35-40% of what we do. It’s very transactional and involves purchases, sales and mortgages, all of which are very document-intensive processes.

“As the firm takes on more clients, conveyancing fee earners have to spend more and more time on increasing amounts of paperwork that could be spent on other case work or improving our client service.” Before MatterSphere and 3E, he says, the firm’s only option for alleviating this burden was to employ additional secretaries and support staff and incur added costs.

But the advanced automation of 3E and MatterSphere streamlines document production and billing practice across every firm branch.

“Fee earners now have the ability to produce a conveyancing estimate to a client while on the phone with them,” he says. “They simply need to ask a few questions, input the data, click on a few buttons and they’re ready to send an email with full documentation and an estimate to the client.

“And from a commercial point of view, automating production and workflow frees up fee earner time to take on more cases without incurring the costs of taking on more support staff.

“This means that we can remain competitive by keeping our costs down while increasing quality of service and increasing the level of work we do – which, of course, has a direct impact on revenue and profitability and has enabled us to scale at an even faster rate.”

In addition, 3E and MatterSphere help Fazakerley manage risk in line with the firm’s

Lexcel and Conveyancing Quality Scheme accreditations. Processes are more streamlined, which makes it easier to demonstrate compliance.

“For example, fee earners are required to keep records of client communication, which used to involve printing out emails, filing them away and organising attachments,” he says. “But now fee earners simply drag and drop an email into the database. This saves the email and attachments separately against the client’s file.”

### Portals on call

But McMillan Williams has really only just begun to tap into the potential of the products – and is currently developing phase two of the project.

“We’re co-developing online client portals with Elite to engage with our clients more online,” he says. He says the portals will allow the firm to pass and share information, documentation and submissions electronically – saving clients the hassle of having to visit fee earners in the office, making phone calls or sending lots of emails.

Perhaps most importantly, online client portals will save fee earners time that would have been spent capturing and inputting client data manually.

“When you use portals, you save fee earners time by, essentially, having the client fill in an electronic form that transfers data directly – rather than filling in a paper form manually, which has to be keyed by our staff. The client feels more engaged and there’s less likelihood of inaccuracies introduced by rekeying.”

Fazakerley says his firm is keen to reap the full benefits of its investment, and specifically chose Elite as its supplier for its willingness to help develop the system for the firm’s own needs.

“Elite is now working with us on our client portal engagement project along with third-party web developers. Together we’re going to design something new for the market. Elite is very engaged, keen to be involved and proactive in the project – which is exactly why I chose them.”

And 3E and MatterSphere have already proved an important addition to the firm’s strategy – optimising efficiencies across multiple departments, simplifying compliance and reducing costs – at no expense to continuous improvement of client service. ▴

INDUSTRY INTERVIEW

# The power of small change

Andy Fielder, chief technology officer at BigHand, says that marginal gains in efficiency make a bigger difference than you might expect – and that’s the business case for investing in more innovative technology

**T**here is much talk in 2016 about how law firms can transform their operations to compete more effectively – whether that’s by offshoring or nearshoring a range of business services, or even adopting an entirely new business model. However, there is also a theory that smaller changes can make a big difference to productivity. Slightly adjusting a single task or behaviour can save a staggering amount of time and money when that adjustment is repeated over time.

Andy Fielder, chief technology officer at BigHand, says: “If you told partners they could save five minutes each day on a task, they wouldn’t blink.” But research by BigHand has found a marginal gains approach can save fee earners 54 hours a year per person. “If you have 200 fee

earners, that’s pushing 11,000 hours in total. Think what that might mean for billing rates,” he says.

It’s the theory behind continuous improvement, he explains. And it applies as much to people in their day-to-day lives at home – self-improvement – as it does at work, and to business. “It means analysing and questioning everything you do – always asking ‘why?’ and ‘is there a better way?’”

## Leading the little things

Discussions around change often evoke the idea of something earth-shattering – “that powerful silver bullet,” says Fielder. “They dream of the legacy it’ll bring. But those in technology know the silver bullet doesn’t exist – and is often more problematic than could be predicted.”

But take the curve ball example of ‘speed eater’

Takeru Kobayashi. “He analysed and charted the whole speed-eating process,” says Fielder. “He’d snap hotdogs in half to chew more efficiently, and dip the bread in warm water – easier on the stomach. In his first competition he smashed the world record from 25 to 50 hotdogs.”

The legal sector isn’t an eating competition, and we’ll let you draw out the parallels for yourself. But the point is that the principles of marginal change – finding opportunities for small changes – are all over the place.

The challenge is that it takes time to see the effect. A decision about your diet or lifestyle or wealth that improves you by 1% each day won’t be noticed on the day – only over time. “We’re all geared to want instant results,” says Fielder. “But you need to have a bit of patience to see the small improve-ments accumulate.

“Small changes also actually cause less resistance over the long term, so they’re more likely to succeed.”

### Partnering up

It’s for that reason that marginal gains theory should also be at the heart of business process improvement – and so it is, with the kaizen theory of continuous improvement for technology.

Under kaizen a project team regularly reviews productivity and quality of their output. Fielder says BigHand development teams do exactly this – spending time every two weeks to review what they can improve, and then committing to improve those things over the following two weeks. Continuing indefinitely, the result is a marginal gains culture.

BigHand Now, a new task delegation tool, is one end product of this practice – and it’s a piece of technology that’s designed to help law firms achieve similar gains for themselves.

“Getting the simplest tasks completed – even

**“Asking people how competent they think they are with a piece of software can yield the information to focus training in new, more empowering ways.”**

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just a filing request or photocopying– is a problem in many law firms,” says Fielder. “More often than not, there will be key information missing from an email, or a post-it note that goes astray.” That impacts on the turnaround time for clients, but also on both billable hours and employee engagement, he says. “Or a lawyer might have a huge contract, a sheaf of paper covered in red ink, which needs turning into a formal document. The process by which it’s sent to all the right people, each at the right time, is crucial to efficiency.”

Using BigHand Now, fee earners can both direct and track these tasks. “A consistent interface means no more emails or post-it notes,” says Fielder. “The secretary gets the data they need first time, with no need for clarification. And the fee earner has instant insight into the process.”

As discussed, however, the real impact is what that means over time – through reporting and analytics. “Firms can monitor and measure data such as time to complete, types of work, due dates, and even set priorities. With this structure and visibility, work can quickly be transferred between locations and working groups so backlogs are cleared.” Most interest has been from top 100 firms who are significantly restructuring, he says, “either moving people between offices or moving work to a more appropriate team.”

### Value streaming

Implementation of such solutions is another area of activity that could lead to marginal gains. “First, understand the full capability of the technology and map that against how your users are really using it,” recommends Fielder.

“Then, asking people how competent they think they are with a piece of software can yield the information to focus training in new, more empowering ways.

“Firms have a vast number of processes running all day, every day, sometimes hundreds of times a day. It’s easy to get caught up in the ‘now’ so you don’t see the bigger picture.”

And much like small changes to diet and exercise – or indeed wolfing down hotdogs – making business life a clearer and easier process means a happier experience all round. ▴





INDUSTRY ANALYSIS

# Heads up on Brexit

The uncertainty surrounding Brexit is an opportunity for firms, but not if it's at the expense of improved productivity, says Brent Turner at Thomson Reuters Peer Monitor

Brexit has weighed heavily on economies and markets – in the UK, but also worldwide. Although the lasting impacts of the vote and the actual exit from the EU are yet to be seen, enough time has passed to allow us to begin to examine some possible effects.

Thomson Reuters Peer Monitor recently completed some analysis of the legal market in the UK as we can observe it through our sample of UK law firms and offices. Initially, this was focused on two key metrics – law firm demand (essentially, the appetite clients have for law firms' billable hours) and average daily utilisation per lawyer based on lawyer full-time equivalents (FTE).

The results were a true mixed bag. Common wisdom told us that demand for legal services would decline in the run-up to the Brexit vote –

## “Increased demand that ultimately means decreased productivity and utilisation is a net detriment to the business model.”

and the anecdotal evidence also largely supported that conclusion, both internationally and in the UK. However, the level of demand actually improved slightly in the first quarter of the UK financial year compared to the same time period a year earlier. Overall – and perhaps surprisingly – demand for services from the average law firm increased by 1.2%.

Many clients were hesitant to make any significant moves in light of uncertainty about the vote – and the results certainly didn’t help to quell those uncertain feelings.

### Do many hands make work lighter?

However, Brexit appears to have generated an increased appetite for advice and counsel. While 1.2% growth for the average firm may not seem like remarkable progress, it’s important to note that this represents average growth seen among the 37 offices of UK, US, and Australia-based firms in the total sample. The law of averages means there are some firms that exceeded this figure by a fair measure.

However, while increased demand is encouraging, this bright spot is closely followed by some less ‘exciting’ results.

Turning to the other key metric in the analysis, results showed that average daily utilisation per lawyer FTE dropped 6.1% for the second quarter of the 2017 financial year. While the average

lawyer booked 4.41 hours a day in the second quarter of 2016, that average declined to just 4.14 hours this financial year.

So how can it be that lawyers are producing fewer hours this year than last, when demand for their services has increased? The answer is actually rather simple.

At the same time as demand grew by an average of 1.2%, the average firm’s lawyer headcount also increased, and by 5.3%. The average UK firm in the sample had slightly over 5% more lawyers on the books this year compared to last. There was more work to go around – and the smaller relative increase in work was very quickly snapped up by the proportionally larger number of hands looking for it.

The first complete quarter following the Brexit vote shows some potentially encouraging signs for the legal market. It certainly isn’t difficult to argue that the complexities of the act of leaving the EU will increase the need for wise legal advice – and firms would do well to position themselves as guides through this uncharted territory. But in so positioning, they would also be wise to manage their own growth carefully, avoiding the creation of unnecessary overcapacity.

Increased demand for legal services seems likely in the coming quarters – and the coming years. But if firms create a glut of capacity for this new-found demand, they may find themselves in a worse financial position. Increased demand that ultimately means decreased productivity and utilisation is a net detriment to the business model.

Uncertainty can create opportunity for law firms – and it will be interesting to track the various approaches firms now take to capitalise on this opportunity. ▴

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INDUSTRY INTERVIEW

# Formula for IT change

David Gallagher, CEO of IT Finance Services, says firms replacing end-of-life systems ought to resemble Formula 1 teams. Whichever systems get them to the starting line, they need an experienced pit crew ...

It has been said many times that law firms are slow to make decisions. But demand for legal IT expertise is now so intense that delay could cost firms dearly if they don't act fast – especially when it comes to staffing a change of system.

David Gallagher, CEO of IT Finance Services, says: “Firms need a new approach to system selection. There's no time to spend months, if not years, deciding between system A, B, or C. They all work. What they really need to do is to select a manufacturer quickly – and then hire third-party independent help like a Formula 1 pit crew.”

## Gears up for change

“For example, TRE has announced the sunset of Enterprise. Add to that the general churn of firms needing to make a move to a new system as their firm has outgrown the current one. It takes at least nine months – 18 on average – to roll out a new system, and that requires a pit crew of six from the



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firm and a further four from the vendor.

“Now do the maths. A thousand firms, a year to change and 10 people is 10,000 man years in the next five years.

“It doesn’t matter what car you’re driving. You need an experienced, dedicated pit crew to change its wheels, tune the engine and mould the seat to the driver.”

### Train finance to stay in the game

Effective resourcing of IT projects is crucial, especially when some technology is changing even faster than it can be implemented. Law firms need to learn how to choose and use their IT systems to the max.

Gallagher explains: “What firms really need to do is gear up for change by making key finance staff such as accounts payable supervisors and revenue controllers more IT-savvy.

“They may not be technical themselves – but they’re great business analysts who could explain to technical people how software needs to be configured to work the way the firm wants.”

He cautions: “But be careful of changes in resources from third parties. You may commit to a system and have a handful of people working with you – but then the Ross Brawn of legal IT is dragged off into other projects, to be replaced by less experienced resource. They’ll try their best, but won’t be the same project asset. Make sure contracts minimise this risk.

“The courses we’ll start delivering in 2017 aim to bring law firm staff up to speed quickly and create more finance systems people.

“We’re all busy, but we need to start training more pit crews to resource changes in systems properly, including backfilling when necessary.”

### A firm fit

“Start the system replacement search on 1 January. Explain the issue as the Year 2000 problem all over

**“The important thing is to ask ‘how’ something is done. A system may have automatic billing – but is that really worth it if you need to press 12 buttons and pass through three screens first?”**

again to obtain partner buy-in,” he says.

“The leading vendors’ offerings are all fit for purpose and coping with day-to-day business. But there are some pros and cons, and firms need to ensure they have all the information for a decision – especially when it comes to configuration and personalistaion.

“Each firm has its own system for rewarding people, reporting partnership fees and analysing their profitability. So make sure all of that’s handled by the system.

“But remember that the important thing is to ask ‘how’ something is done. A system may have automatic billing – but is that really worth it if you need to press 12 buttons and pass through three screens first?”

However, in addition to asking the right questions of the capabilities of the product, he says, firms should interview the proposed implementation team to ensure that the best combination of people are working to create the best installation for the firm.

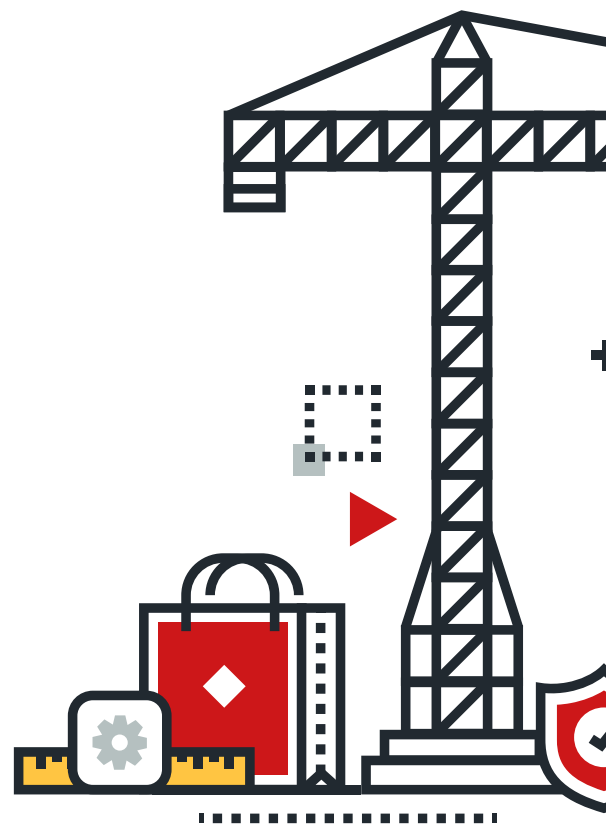
“If you don’t get on with the project manager, tell the supplier you want someone else. You’ll be living and breathing with that individual 12 hours a day, every day, for 18 months.”

After all, it’s the project team that will be taking the manufacturer’s base model and tuning it to your firm’s needs, providing that all-important strategic pit stop. It’s those people that keep you in with a chance of pole position instead of starting from the pit lane. ▀

## INDUSTRY ANALYSIS

# Renewing relationships

Dave Harris, principal consultant at LexisNexis Enterprise Solutions, wonders whether your CRM approach more closely resembles a tiresome treadmill or a wonderful windmill



M

ost law firms recognise the need for managing relationships in the organisation – but they'll often deploy client relationship management technology with limited focus on the end user experience, which negates its value. CRM becomes all about an IT system to 'manage contacts', obtaining that elusive 'single view', marketing lists, event management efficiencies, and so on. It's a 'treadmill' approach to CRM adoption – arduous, time-consuming, mired in complex integration issues with other systems, and utterly tactical. To derive true business value, CRM should be like a 'windmill' – effortless, unobtrusive, built on the 'do it for me' principle.

## Treadmill – doing the hard work

Perhaps the biggest mistake firms make is to deploy a CRM 'platform' for the organisation. That way the system delivers the same functionality to all – but the reality is that users in varied roles need to view and consume data differently. Partners and lawyers need quick and easy access to data to understand firm-wide client engagement to date (and in the future) to best prepare for meetings – whereas marketing professionals may need to manage groups of contacts and lists for content production. The CRM system must deliver on these different requirements, and with minimal effort on the part of the users. A search

for a particular contact on the CRM system may throw up all related results, but thereafter it takes the user numerous clicks and laborious screen scanning to find the specific information. Data stewards need to update the database manually – and constantly – to ensure it's up to date. These processes waste time, are cumbersome, and even discourage users from adopting CRM.

Corporate users of technology have come to expect the same level of sophistication in enterprise IT as they experience with consumer technology – that it's hassle-free and efficient. Their consumer applications simply work. They 'do what they say on the tin'. So why can't enterprise IT be the same?

## Windmill – effortless sources of power

Relationships drive business in law firms, and a lack can result in missed opportunities and revenue loss. At the same time, relationships are normally only effective if they are strong, but this depends on the value the firm delivers to the client or prospect. A law firm's understanding of the client's business is the single most important factor in creating meaningful differentiation for the organisation. For this, the CRM system must deliver relationship intelligence. It must reveal the unique and complex connections between people, companies, relationships, experience and expertise. This intelligence must be available to



lawyers at the touch of a screen, or click of a mouse, anywhere, from any device, and at any time. A lawyer meeting a prospect should be able to look in the CRM system and easily see who else in the organisation knows the prospect, the strength of the relationship with the individual, and any touchpoints with the client firm-wide. It is these components that will drive a smarter conversation, so the software interface must bring the data to the lawyer instantly when it's required. Here, the access to key information is effortless.

### Opportunistic intelligence

Lawyers shouldn't need to switch between technology interfaces. If a lawyer is researching a CEO on the internet (say, the organisation's website), the relationship data in the firm's CRM system should be visible without needing to move out of the browser. In effect, the CRM system facilitates seamless gathering of information (regardless of the type of interface being used) to deliver combined insight on the prospect (in this scenario, the CEO) at the right time – external data and existing intelligence from colleagues. It's

**“The IT should be doing the hard work, not its users. The technology should be invisible to users, working in the background to support business activity.”**

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almost as if the information is following the individual and just presenting itself at the most opportune moment.

Another problem is that lawyers are too often tasked with unproductive actions, such as ensuring all key relationships are recorded in the firm's CRM system. This time-consuming activity is a waste of expensive resource.

Many firms have key client programmes among their BD initiatives. But if any contacts are added to the CRM system from the firm's list of top 20 target corporates, the system should automatically include these individuals in the key clients or prospect categories. It shouldn't require manual effort. With the 'do it for me' approach, the CRM system captures contact information automatically, for example via business card scanners or from email signatures. It reduces the effort of lawyers 'doing' CRM.

You get the drift – the IT should be doing the hard work, not its users. The technology should be invisible to users, working in the background to support business activity. Like a windmill converting natural energy into power, a strong CRM system fuels improved client service – stronger relationships, new business opportunities and an altogether smarter operation. ▀



## LAST WORD

# Exporting optimism

Client-side CEO – and Oscar winner – Sir William Sargent, tells Richard Brent there are upsides as well as downsides to Brexit for his business. So it's time to say "action"



**S**ir William Sargent, founder and CEO of Framestore, is in the business of visual effects (indeed, he won an Oscar for them for the 2014 space-race-against-time thriller *Gravity*, starring Sandra Bullock and George Clooney).

However, at the Economist's UK Middle Market Forum in November his was just one more business trying to visualise the ultimate effects of a decision to leave the European Union, when those effects might materialise, and what on earth he might be in a position to do about it.

Like many legal businesses, he needs to make measured decisions now about investment in two key areas – technology and talent.

"When you're faced with uncertainty, you have to focus on what you can control," he says. "I can control my investments, training and export activity. I can also talk to my supply chain to understand my risks better. And I can potentially be doing all of that while the rest of the world is still talking about uncertainty."

He admits his is one business area that stands to benefit from a weaker pound through exports – and for that reason he's "pragmatic but optimistic."

"I'm optimistic by nature, and not taking advantage of the currency would just be stupid. At the moment I have a window to do that, so it's time

to take action.

"The negatives will be coming along later," he adds. So now is the time to offset those to some extent by playing to his strengths, he says.

This is not to say he can ignore the longer term. "There's already a shortage of talent in my industry – and payroll is 70% of my costs. Inflation will make colleagues' pay worth less. I'll have to pay more," he says simply. So that'll be in his next business plan.

As an Irish 'Remainer' – again, like many a London-based law firm leader – he admits to being shocked by Brexit, even if he wasn't ignorant of certain winds blowing.

"The millennial generation is tipped to be the first not to do better than the previous one. I think we're probably seeing dissatisfaction, perhaps building over a decade, now finally coming out in the political system.

"But around a third of my talent comes from outside the UK – a quarter of those from Europe. The skills they bring are a hugely important part of

**"Leaders need to react to others' emotional reactions quickly. I was shocked to hear colleagues say they felt unwanted, and it's critical to act upon that."**

the texture of the business, and I'd hate there to be any barriers between us. I think there shouldn't be."

What about the creative sector more generally? Is there a risk that film companies like his will have fewer opportunities, or just feel unable to take as many risks?

"European co-production agreements are already being affected," he explains. "Those tend to be the films that are more culturally unusual – and that perhaps wouldn't get made without the funding."

However, the other big risk is that the global talent needed by businesses like Sargent's doesn't want to be based in a post-Brexit UK. "Leaders need to react to others' emotional reactions quickly," he says. "I was shocked to hear colleagues say they felt unwanted, and it's critical to act upon that.

"I might not be in a position to give guarantees about future rules, but I can go out of my way to present the full picture of the facts about what won't be affected." As it happens, the film industry already has special exemptions from migration controls owing to mobilisation needs.

"The thing to do is to present the facts for people clearly, and in context," he says.

"I'm definitely going to support and stand up for the talent I need – and I can make a start on that today." ▴



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# End write-downs

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