

# Briefing

July 2017

SMARTER LEGAL BUSINESS MANAGEMENT

## SILO NO MORE

Nick Roome, UK head of legal services at KPMG, on integrating advantages

## WELCOME HATS

Firms need to be prepared to support their new apprentices

## LINE IN THE BRAND

Professor Jonathan Trevor at Saïd Business School on appreciating value



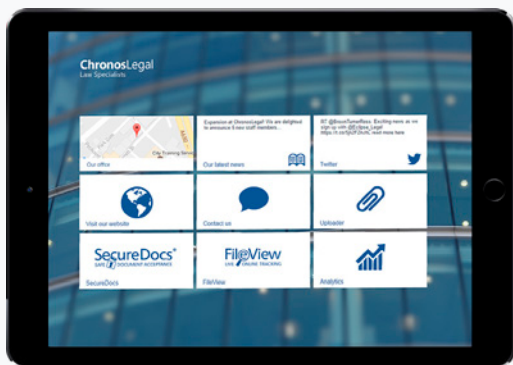
## *Seize the play*

*Carol Sawdye, global chief operating officer of the PwC network, on why you might need to take a risk or two to win at this game*

# The ultimate self-service solution



**TouchPoint+** provides your clients with the ultimate self-service portal. Available for firms using Eclipse's Proclaim® Case Management solution.



Brand it your way



Brandable and configurable



Securely display live data



Enable electronic document signing

Book a demonstration

[eclipselegal.co.uk](http://eclipselegal.co.uk)

[info@eclipselegal.co.uk](mailto:info@eclipselegal.co.uk)

01274 704 100



ECLIPSE  
Part of Capita Plc

Endorsed by



The Law Society

# Editor's letter

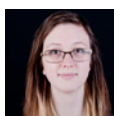


## Who we are...

### Cool cats



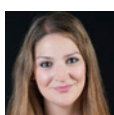
Richard Brent is the editor of **Briefing**. He likes to get out and meet as many of you as possible, so contact him at [richardb@briefing.co.uk](mailto:richardb@briefing.co.uk)



Kayli Olson is **Briefing's** assistant editor. She finds stories and data. Care to contribute? Contact: [kaylio@briefing.co.uk](mailto:kaylio@briefing.co.uk)



Duncan McKenzie is our client services team leader. He looks after our lovely clients. Contact him at [duncanm@briefing.co.uk](mailto:duncanm@briefing.co.uk)



Holly McDaid is **Briefing's** client services manager, responsible for managing supplier insight. Contact: [hollym@briefing.co.uk](mailto:hollym@briefing.co.uk)



James Raven is our client services executive. He lives and breathes the **Briefing** brand. Contact him at [jamesr@briefing.co.uk](mailto:jamesr@briefing.co.uk)

### Hot stuff



Rupert Collins-White is Burlington Media's creative director. Contact him at: [rupertw@briefing.co.uk](mailto:rupertw@briefing.co.uk)



Sarah Cox is Burlington Media's head of client services. She's responsible for everyone's happiness.

## Talk to us

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

Email us your thoughts  
[editorial@briefing.co.uk](mailto:editorial@briefing.co.uk)

Find all our back issues online  
[www.lsn.co.uk/Briefing](http://www.lsn.co.uk/Briefing)

Write us a letter (remember those?)  
**Briefing magazine**  
Burlington Media Group  
20 Mortlake High St  
London SW14 8JN  
DX 36356 East Sheen

This month's interviews were all transcribed by:

**TRANSCRIPTIONSERVICES**  
from IntelligentOffice™

**I**t was brought to my attention that with last month's issue **Briefing** sailed through its 'seven year itch'. Gosh – we set out on this journey of smarter legal business management together back in June 2010.

Well, not me. I only trundled up at the doors of Burlington Media Group in September 2014. But by some quirk of fate, I find June 2010 was actually the month I moved on from covering the legal profession the first time around. Four and a bit years in the 'wilderness' (as one colleague described it) of 'business that is not law firms', and reader, I was welcomed back with a warm embrace to a legal landscape transformed.

That's the misty-eyed version. We'd lost a few law firms along the way of course – but I was pleased to be back in plenty of time to see the first law firm trade on the London markets. I remember that in my final issue of Managing Partner we'd asked whether people thought this idea of external investment would fly. Alternative business structures were exciting indeed – and alternative fees also all the rage. But I don't recall much mention back then of the project and process management

professionals now sensibly employed to ensure all of these alternatives really deliver on their promises.

There was also a departing piece on something called "outcomes-focused regulation" on the way – which now strikes me as most appropriate to usher in this magazine that's all about getting your systems, risk, finance and people management shipshape. Seven years later, and the big debate is whether we can adapt regulation even more radically, of course: should practising solicitors be able to provide unreserved services from unregulated organisations? We'll have a chat about that in due course.

And we had a neat case study on one really out-there firm that was piloting something pretty bonkers-sounding in the HR space – a group of people didn't have to sit at the same desk every day (or even come into work all the time, technology being what it is). I've since heard it never really took off.

Enough with the nostalgia, you cry. Well, we'll be carrying out another readership survey very soon to find out how well you think we've been doing since our big 2016 relaunch, which is a much easier time for me to recall with clarity. Both editors to date would like to say a big, sincere thank you for the many great **Briefing** memories so far.

RICHARD BRENT **EDITOR**





# THE WIDEST RANGE OF LEGAL BUSINESS MANAGEMENT JOBS

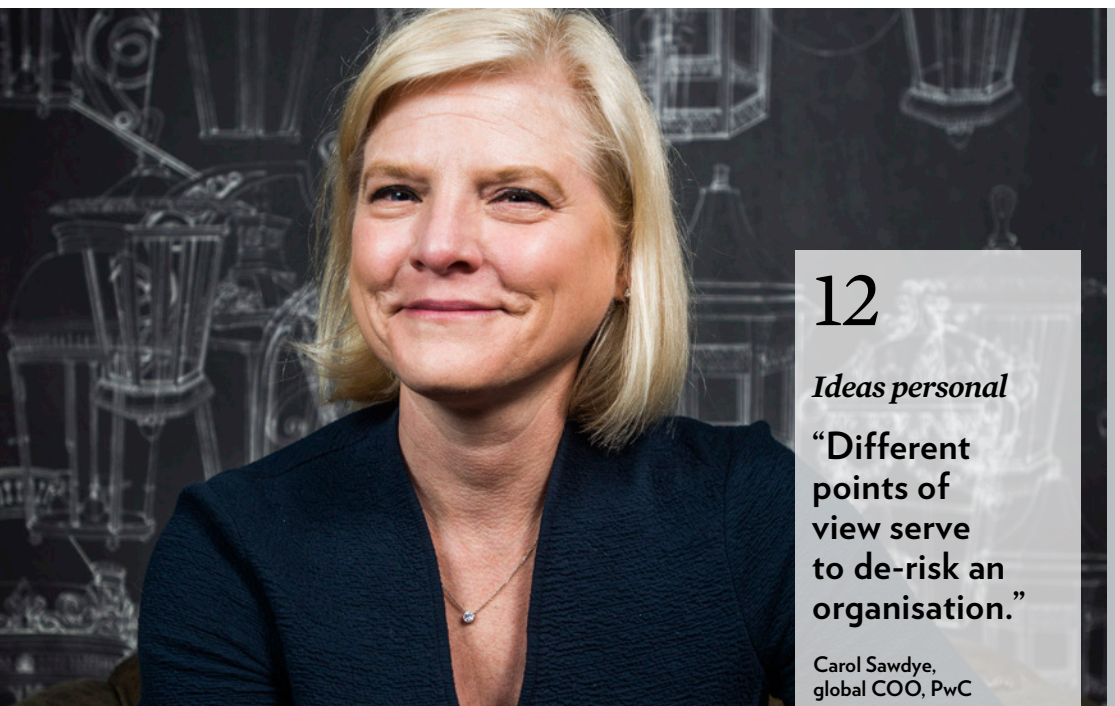
Using LSN jobs you can search for roles UK-wide, benchmark your salary, upload your CV and register for job alerts to make finding your perfect role even easier.

VISIT [LSN.CO.UK/JOBS](https://www.lsn.co.uk/jobs)

## ARE YOU RECRUITING?

Contact [tomd@lsn.co.uk](mailto:tomd@lsn.co.uk) to find out how you could use LSN to source candidates.

# Inside this month



12

*Ideas personal*

“Different points of view serve to de-risk an organisation.”

Carol Sawdye,  
global COO, PwC

**Briefing**  
The only legal business management title



Seize the play

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

## UPFRONT

**06 Our view** Pay attention at the back if you plan to play by the many new rules

**07 Reading list** Jeff Wright at **TLT** reads Neuroscience for Organisational Change

**08 Database** Do alternative business structures look like they're worth the investment?

**09 What's on your whiteboard?** Isabel Parker, director of legal services innovation at **Freshfields**

## OPINION

**10** Damien Behan at **Brodies** says WannaCry should sound a business wake-up call

## FEATURES

**12 The big interview** Carol Sawdye, global chief operating officer at **PwC**, says the biggest risk in business might be fear of taking one

**16 Briefing people** Nick Roome, UK head of legal services at **KPMG**, on building an alternative to incumbents

## BRAIN TRAINING

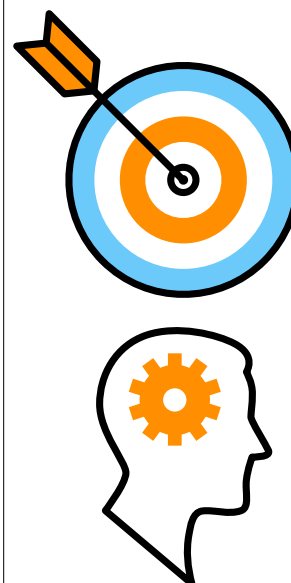
**20** Sam Lee, head of recruitment at **Bond Dickinson** on onboarding apprentices

## INDUSTRY VIEWS

**24** Ian Raine, director of product management at **iManage**, says you have under a year to get your information governance GDPR-ready

## REAR VIEW

**26** Jonathan Trevor at **Saïd Business School, Oxford**, says make the time to get aligned



IntelligentOffice<sup>UK</sup>

Change for the better.

We deliver flexible, modern and professional support services to law firms, find out how at [intelligentofficeuk.com](http://intelligentofficeuk.com)





▶ **ROUNDUP**

# Divides and rules

**F**irms will have been super grateful that the days of 2017 reached their longest last month – every extra daylight hour counts for getting their heads around an abundance of regulatory developments. Yay.

The EU's new General Data Protection Regulation (GDPR) has been long enough coming – we've certainly been bigging it up plenty at **Briefing** – so no excuses come May 2018, please. But on 26 June 2017 the **EU's Fourth Anti-Money Laundering Directive** also took effect, leading to another round of record-keeping and data requirements for the enhanced due diligence that may be required.

# 14

Pages in the SRA's two new codes of conduct (half the length of the previous single code)

A list of high-risk jurisdictions is now needed to determine when these extra checks must kick in – and “automatic” simplified DD is no more. In future, a “relevant person” must take responsibility for weighing the evidence each and every time.

That individual also needs to produce an AML risk report to turn into the firm's policies, and a risk assessment needs to be ready to go to the **Solicitors Regulation Authority** on request.

The SRA promises new guidance in line with the directive, in what has been an action-packed couple of months. After confirming the new independent assessment regime **the Solicitors Qualifying Examination (SQE)** would indeed go ahead, there's now a consultation on the change (running until the end of July) and tendering for the assessment organisation has begun.

Thank goodness at least one change substantially reduces the potential amount of

paperwork to plough through. The **accounts rules in the SRA's new handbook** are getting shredded from 41 pages to seven. And the code of conduct is half as long as it was – even though there will now be two, one for a solicitor's personal obligations and another for firms about the systems and controls they need in place.

But the biggest talking point is probably the SRA's decision to press ahead with a plan to **allow solicitors to practice from unregulated firms** – “opening up career opportunities” as well as being “good for the public” in terms of access to legal services, as backed by the Competition and Markets Authority, according to its chief exec.

**The Law Society** sees things rather differently – citing conflicts of interest, professional indemnity insurance and professional privilege as protections that would be at risk. President Robert Bourns said: “For the SRA to claim that these consumer protection risks can be managed by a ‘consumer information strategy’ to be developed in the future is simply not realistic.”

No arguments about this final snippet though – congrats to **Baker McKenzie, Pinsent Masons, Burges Salmon, Clifford Chance** and **Linklaters** who all make the top 20 of a new graduate social mobility employer index from the **Social Mobility Commission** and the **Social Mobility Foundation**. Many more law firms (too many to mention) fall into the top 50 employers across sectors. But a special mention to **BLP** at number eight, where a 2015 “inclusivity strategy” has clearly yielded fine, measurable fruit. 96% of all the businesses say their talent could come from any university today. Only a fifth have social mobility targets though.

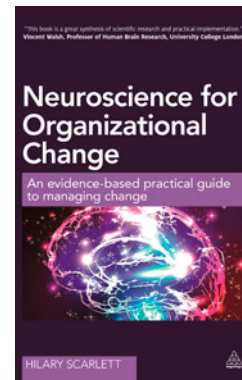
Best not mention that Oxford and Cambridge are still targeted for talent more than 118 other institutions combined. ▶

**The accounts rules in the SRA's new handbook are getting shredded from 41 pages to seven. And the code of conduct is half as long as it was.**

## READING LIST

# Change control

Jeff Wright, director of transformation and operational change at TLT, beats his inevitable innate bias and finds *Neuroscience for Organisational Change* a belter of a book



Let's get this out there straight away. I'm a sucker for stuff that helps me to do my job better. MacLeod, Pink, Kotter and Bridge – I've read them all. However, I am also an 'expressive' or 'communicator' in the Merrill-Wilson four temperaments breakdown. I'm shallow. I need a good sales pitch to keep me interested.

Imagine my horror when *Neuroscience for Organisational Change* by Hilary Scarlett landed on my desk. The strapline provided no solace. While the lawyer in me loves a bit of evidence, I struggled to turn the page. When I did, "key moments in the history of neuroscience" left me cold. But a glimmer of hope! The brain's tofu consistency appealed to the gore-loving 12-year-old boy in me. I pressed on.

As Scarlett warns us later, our brain's desire to take shortcuts makes us all hardwired to be biased. I'm very glad I fought that bias, because this is full of treasures. It's a must – not just for change geeks like me, but for any leader. And for any person who wants to understand themselves and others better.

I'm no scientist, so explanations of the amygdala and hippocampus didn't float my boat. But while the author moves on from the brain talk, she anchors everything in enough science to provide credibility and explain why change can be so difficult to achieve. Before I knew it, I was quietly impressed by the positive effect that my ventral tegmental area has

on me because it produces dopamine.

How little our brains have changed since our evolutionary beginnings. While sabre-toothed tigers have been replaced by team restructures, and finding food by a good appraisal – the principles are the same today. Change triggers our threat response. Scarlett does an excellent job of using academic neuroscience to explain behaviour in the face of change and how to use that knowledge.

I was particularly fascinated by the concept of the 'social brain' and our "tank of self-control."

The social brain is the need for social acceptance, and how easily people can become members of 'ingroups' or 'outgroups'. We also have a finite amount of self-control, which will get depleted by various activities, from decision-making to handling stress. As that tank empties, our ability to regulate ourselves reduces – explaining my inability to avoid a good red when I get home and why, on some days, my tolerance levels are lower. Applying those concepts to others can also help us to view situations differently and redesign an approach.

Now I'm a neuroscience fan. Scarlett's book is a well-thumbed reference book. Understanding practical things I can do to work with brains (mine and others), rather than against them, has proved a voyage of discovery and self-discovery.

I'm buying copies for some colleagues. And as for tonight's glass of red? That must be a conscious decision. ▀

**Publisher:** Kogan Page  
**Publication date:** February 2016  
**Price:** £29.99  
**OFFER:** 20% off – visit website [www.koganpage.com](http://www.koganpage.com) and enter the code BRIEFING20

**How little our brains have changed since our evolutionary beginnings. While sabre-toothed tigers have been replaced by team restructures, and finding food by a good appraisal – the principles are the same today.**

## Alternative actions

A Legal Services Board survey of alternative business structure uptake finds two-thirds of ABS firms have made strategic investments – or are planning to do so. But few have gone for external investment – and none of those are partnerships. LSB chief executive Neil Buckley said: “Lawyers are reluctant to cede control of their businesses, preferring instead to rely on profits and reserves, or bank lending.”

### STRUCTURE STRATEGIES

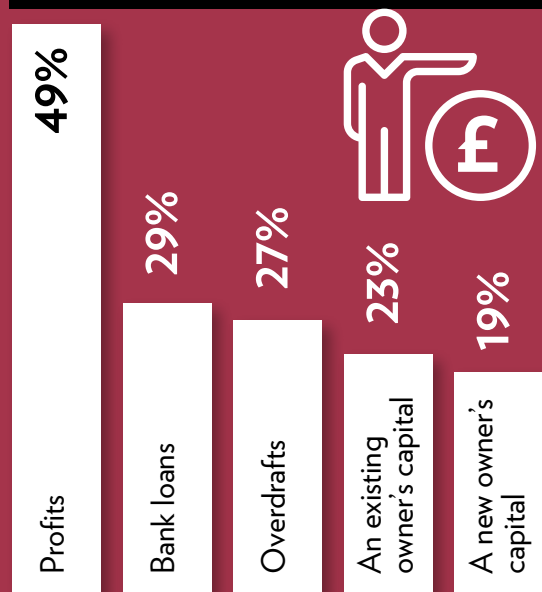


The LSB finds a link between the level of non-lawyer ownership and investment activity. Just over two-thirds (68%) of responding ABSs with 75% or more non-lawyer owners have made an “investment”, compared to a third (32%) of firms with 25-49% non-lawyer ownership.

### WHAT ARE ABSs INVESTING IN?



### HOW ARE ABSs FUNDING ANY NEW INVESTMENTS?



Only 12% of ABSs had used any form of external finance.

Source: Evaluation: ABS and investment in legal services, 2011/12-2016/17, Legal Services Board, June 2017 (research, carried out between October 2016 and April 2017, received 204 responses)





# WHAT'S ON YOUR WHITEBOARD?



Isabel Parker, director of legal services innovation at Freshfields Bruckhaus Deringer, says it may be better to structure law firm innovation within the realm of business as usual

**Q** How is innovation changing at your firm?

**A** My role has existed for about a year and a half now, and even in that short period innovation at Freshfields has changed dramatically. Initially it was very technology-focused – there's a lot of hype about AI and how it's going to transform the legal services market. But we quickly realised that innovation isn't just about technology at its core. It also means finding creative solutions to clients' business challenges.

**Q** What makes a good innovation strategy?

**A** There are three pillars to look at when going about innovation: external, internal and cultural. External is probably the most important – a focus on redesigning our core offering to better serve clients. We start by systematising what we do on a global level, define our best practice and develop new models using different combinations of tools. This can mean technology, but it's also about alternative resourcing models – for example, we have a legal services centre in Manchester. Other key things are sensible pricing and process

improvement. We then test and refine these models to meet clients' needs. The internal pillar then means to align our internal operation model to the future of legal services and this is done primarily through implementation of technology – assessing possible new structures and harvesting collaboration. But fostering a firm-wide culture of innovation is perhaps the biggest challenge of all.

**Q** What's the most innovative delivery idea you've seen?

**A** I was at a Deloitte seminar on analytics a few months ago, and I saw Tesla's managing director for western Europe presenting on the company's customer-centric approach to designing products. The process he described struck me as highly innovative – they had a laser focus on what the customer wanted. And Tesla is so confident it understands its customer base that it'll even give the customer what the customer doesn't yet know it wants. The example he gave, which I loved, was that Tesla sold its first fleet of autopilot-enabled cars without telling anyone it had this functionality. They just sold the car, and turned the functionality on later.

**Q** Any tips for practically managing innovation?

**A** I'm a lawyer by training, so I did a lot of research into how innovation functions in different businesses. A common argument was that you need to be outside the business as much as possible – to develop in an agile way, at a remove from core business as usual. But having tried that approach I'm not sure it's the most effective way for a law firm. I think it's important to work with the status quo here – to make sure we're working within the established legal system, reaching out to the stakeholders in each of the areas that need to be consulted, keeping everyone involved from the beginning and networking within the business to get stuff done.

**Q** What do you enjoy most about your role?

**A** Definitely working with associates. I was an associate at Freshfields myself, and it's easy to lose sight of how brilliant they are when you're not working closely with them. They are utterly hungry and brave to make changes and use all these technologies bustling into the system. The energy they generate is extremely empowering. ▀

# Ransom scare

Damien Behan, IT director at Brodies, says ransomware hitting headlines is bad news for business as usual, but could be good for garnering greater interest in the basics of cybersecurity



**M**alware – malicious software that causes problems on your computer – is nothing new. Viruses have been infecting computers for almost as long as they have existed. However, while we've seen exponential technological progress in recent decades, the murky world of malware has similarly evolved from an annoyance into a lucrative industry. Ransomware is the latest – and the most prolific – incarnation, which has allowed organised criminal gangs to monetise malware, and is now a major concern for organisations.

So how and why did the recent WannaCry variant of this attack turn backroom IT into front-page news?

As the name suggests, ransomware holds the data on your computer hostage by encrypting photos, documents and emails, then demanding money to unencrypt them. The financial transaction is kept private and untraceable through use of the digital currency Bitcoin. So, from the cybercriminal's perspective, it's a no-brainer. It's potentially lucrative, and there's little risk of being caught, it's easy to spread (generally via phishing emails) – and it's difficult to detect.

On a Friday in May 2017 reports emerged of businesses across the globe being hit by WannaCry ransomware. But what was unique about this attack wasn't only the widespread nature of the infection, but also the type and origin of the vulnerability it exploited. Rather

than spreading by email links or attachments, it targeted open external ports and then silently infected machines across the network via a vulnerability in Windows. In fact, Microsoft had issued a security patch – a software update to fix it – as recently as March, but infections came to light in May. Therein lies the crux of the problem: those that had patched their computers were protected, while those that hadn't hit the headlines – in particular, parts of the NHS.

So, why didn't everyone just apply the patch in March? Patching is a time-consuming activity, and it has to be done on a monthly basis as new vulnerabilities are identified and fixed. For an IT team that's already stretched, that means it can be bottom of the list – and if investment in IT security isn't prioritised, it's seen as admin you can let slip.

Ironically, WannaCry will help cybersecurity – in that, if it wasn't already, it has now become a board-level concern. It demonstrated that security breaches can interrupt your business – or your hospital – and that those seemingly boring backroom tasks are actually the front line in breach prevention.

Cybersecurity is an intangible, a bit like insurance: you don't see the value of it until you have a problem. That can make it a hard sell to boards in times of uncertainty, but the legacy of WannaCry may just be to show that those with responsibility for security aren't crying wolf. They're trying to avoid real future tears. ▴

Do you need a next day delivery that's guaranteed?

Your documents are sensitive, urgent and business critical. Our tracked services provide delivery reports, online tracking in real-time, and with next-day delivery by 9am as standard.

For more information email [exchange@thedx.co.uk](mailto:exchange@thedx.co.uk) or visit [dxdelivery.com/exchange](http://dxdelivery.com/exchange)



# Features

12

*Worth the risk*

Carol Sawdye, global chief operating officer of **PwC**, on questioning your status quo

16

*Briefing people*

Nick Roome, UK head of legal services at **KPMG**, says manage to be steady as you grow



## THE BIG INTERVIEW

# Worth the risk

Carol Sawdye, global chief operating officer at PwC, says businesses – like their people – need to try to take some chances to grow and fulfil their potential

Words Richard Brent Photography Simon Brandon

**C**arol Sawdye, global chief operating officer for the PwC network since 2016, collaborates with others in the global leadership team on the network's transformation. To be successful in that role she must measure and manage many risks. But she knows that they also need to take a few.

She has arguably embraced one or two in managing her own career. After 17 years at PwC (the last six as a partner), she decided the time was right to leave the firm shortly after the 2001 World Trade Centre attacks. She moved sideways to become chief financial officer of law firm Skadden, Arps, Slate, Meagher & Flom, later becoming COO and staying put for eight years. After a further period working as CFO and executive vice president of the National Basketball Association (NBA), she eventually returned to PwC as US CFO in 2012.

It's not quite the job-hopping antics some attribute to today's apparently choosier millennial workforce – but still might be seen as an unusual rise to management power in a partnership.

However, Sawdye argues that people, just like firms, often fail to see where most risk resides.

“You need to ensure you define risk properly. There's a lot of risk in the status quo. In the current landscape, choosing not to make the decision that seems risky might be the riskiest thing you do. If the real risk is in standing still, it's not so risk-

averse to take on new challenges when they arise.”

She says it's part of PwC's job to help to promote a similar way of thinking – a greater boldness – in its people. “I know getting comfortable with ambiguity is tricky, but there has to be a focus on helping people to recognise and embrace a world of more or less continuous change.”

A champion of the need for greater diversity at work, Sawdye says a better balance of individuals is so important to a complex, global business for just this reason. “An argument I always make is that you can appreciate and manage risk much better in a more diverse environment. It's when you bring people in from other places – people who think differently – that you realise different ways of doing things aren't necessarily the riskier course.

“There's a close relationship between a more diverse and inclusive workplace and innovation. You're allowing more outlooks into the conversation. If everyone at the table knows they can contribute equally, different points of view serve to de-risk an organisation. Innovation and de-risking aren't necessarily at opposite ends of a spectrum. They can take place together.”

## Churning learning

A lack of diversity isn't a risk at PwC today, says Sawdye. “I was stunned by how far we'd come in the decade I'd been gone. The debate wasn't so much about gender, race, religion, or any other one







group – the environment was simply inclusive.”

The real business risk PwC had to grapple with back then was workforce “churn,” she explains. At one time an example of that threat herself, the pressure to retain talent has since intensified.

“The ageing demographic, certainly in the US and Europe, places huge stress on a shrinking, highly skilled labour pool, and so the cost of churn is high. We perform much better – ourselves, and for our clients – if we keep our people for longer, providing different career models if we can.”

At the same time people’s different expectations of an employment contract – driven by what technology can enable – has, of course, led to offering more flexibility on many a job.

“I’ve only been in this role for a year, but the US firm has definitely had to give tools and permission to work anywhere, any time, so long as we’re connected to the client and provide great service. Skilled people can struggle with work-life balance for a variety of reasons. It’s not just women, but I certainly couldn’t live the life I do if I couldn’t log on and access work wherever I happen to be.”

The firm has been using Google Hangouts for work for three years, she says – while the open-plan offices some leading law firms are introducing today are well over a decade old at PwC.

“A finance person at heart, I guarantee law firms would envy our real estate as a percentage of revenue figure. And that’s because real estate has become much more focused on physical connectivity and team space. When you give people permission to work wherever is most effective, and their average age is 27, you’re more likely to see them in our wired interactive cafes.”

Approximately 90% of the network’s US presence has now moved to a system of no fixed desks – including partners. “There are no ‘names on doors’ and it’s strictly ‘clean desk’ everywhere,” says Sawdye. “A room can be used if it’s empty.”

“One reason we can do that is that very few of our people use paper anymore. That’s the real beauty of tools in the Google suite – all editing can be done and managed online. The basic idea is that someone like me can work in London as easily as New York, if that’s where I need to be. But it’s also part of the value proposition that if you only need access to a screen, you can enjoy that anywhere, including in your own home.”

## Global gear change

Mobility and diversity also meet in another part of

**“Innovation and de-risking aren’t necessarily at opposite ends of a spectrum. They can take place together.”**

*Carol Sawdye, global chief operating officer, PwC*

PwC’s employee offer. In a 2016 survey of other businesses in 40 countries, the firm found a “diversity disconnect” surrounding strategic placements overseas. Two-thirds (69%) of global mobility leaders said they gave their employees “international experiences” to help develop the succession pipeline of future leaders – but only a fifth (22%) said global mobility and diversity strategies were well-aligned.

At PwC, says Sawdye, the standard overseas secondment model has made way for more opportunities of shorter duration – which factor in personal development planning.

“On a traditional secondment, you could move your family to another country for two or three years, and the tax differentials can make that decision wildly expensive for a business,” she explains. “The role would need to be really strategic, with certain skills already developed, for the economics to make sense.

“At the same time, our people today tend to want an opportunity like that earlier in their careers and in shorter stints – for six months, or even six to nine weeks,” she says.

“And the real beauty of that is we need them most in the emerging markets, where it can be harder to persuade people to relocate for longer. Employees can have a specific project-based experience in China, India or Africa, but they don’t lose their connectivity to clients and others back home, and they bring back significant cultural and contextual understanding.”

The whole thing feels more like “any other project,” she says – and with ‘global acumen’ also a part of PwC’s performance evaluation, it’s extra compelling. “From the day they walk through the door, PwC people know that they’re expected to gain a certain breadth of multicultural understanding to make good progress, and this is one great way to get it,” says Sawdye.

Often these international adventures will be for a client project, but they could also support an operational change, which is where Sawdye



spends her time (and there's plenty to do there).

"PwC aims to move to cloud solutions for all our core systems. Many large organisations haven't yet made that move, and one reason is they're uncomfortable with the technology, including questions about security. We've taken a lot of time there, and now take the position that, managed properly, it can be much more secure. In fact, the investment you need to keep the status quo secure is increasingly expensive, almost cost-prohibitive. Embracing the new is a better way to go than trying to fix the old." The last point brings us back to the start – it's one more risk worth taking.

### System thinking

All three times Sawdye has held the CFO title in her career she has also had other elements of operational responsibility – but the change in stepping up to the nexus of network transformation is a striking one.

"The reality is that the chief financial officer role – at least in my experience – usually does encompass other operations," she explains. As PwC's CFO, for example, in addition to representing the US on the network leadership team's COO group, she was already responsible for real estate and administrative services.

On top of that today however, is transformation of operating models, she says. "The big difference between PwC and many law firms is that many firms are one global partnership worldwide – one profit pool – whereas PwC is a network operating in 157 territories. Some territories are combined to different extents, but it's the network organisation that ties them together."

The PwC leadership team's biggest ongoing project is harmonising information systems so that the component parts can present a properly unified face to the world it wants to win business from – including in legal services.

"We've each historically grown up with our own systems. But in spite of independence from an economic standpoint, we're trying to weave seamless business operating systems to go to market as one – human capital, client relationship management, and ultimately finance systems. There are definitely advantages to being very, very local, as well as global, but transforming these systems will provide transparent, consistent information that benefits all of us.

"It's a multi-year ambition that will never really stop. Once the information foundations are in

place, there'll be other things we can do to make responsiveness faster and more effective – and the goal is to bring the best people internationally to any client situation that needs them." To this end, a common global 'people' system will also simplify sifting for individuals' skills and achievements, she says. Today a lot of the legwork assembling the best team is still relationship-driven.

### Disrupting classes

In the meantime, Sawdye also leads on managing the strategic development funds that allocate where future investment will be directed – areas such as data analytics and cybersecurity, she says. "There's almost no sector that isn't being disrupted by tech advances, and we see responding as an opportunity to lead our competition rather than a defensive move. Of course, we'd ideally – frankly – like to be the ones doing the disrupting."

One of PwC's arguably most innovative moves aims at that. The firm bought a creative design agency in Florida – which has rapidly spawned a network of 31 PwC "experience centres."

"We can bring together subject experts in design, technology and business in the right surroundings," she says. It's a triumvirate that can "facilitate pulling out the potential for innovation that's probably inside all of us – not just those with traditional creative backgrounds."

The experts bring the firm's clients in to play in a centre's "sandbox" – that is, partake in "agile sprint sessions lasting a couple of days" to prototype a solution. "It's essentially getting everybody together for some facilitated live brainstorming, but it's the introduction of the design sense that's really special.

"Take the example of a new human capital system. The old way would have been to put in a system and spend hours training people, with a lot of worry about whether they'll change enough to see the return. Now the argument is: if you design it beautifully upfront, you can create something that effectively compels itself to be used."

No interview on this subject would be complete without an Uber reference. "Nobody trained me to use that, did they? I just downloaded it, and figured it out, because it's fast and useful."

With its own mission to transform as quickly and efficiently as possible – and not averse to taking a risk where it sits on top of opportunity – Sawdye says PwC is probably itself one of the experience centres' most well-regarded clients. ▀

## BRIEFING PEOPLE

# Ready as it grows

Nick Roome, UK head of legal services at KPMG, says his is a business that's learning as it grows

Words Richard Brent



**T**he trend for world events surprising global markets could be starting to impact your average business's strategy, according to a KPMG survey of UK CEOs in June 2017. It found that continued uncertainty surrounding implementation of Brexit – as well as one or two unexpected election outcomes – now have 70% of those business leaders trying to recruit new geopolitical risk experts into their management teams.

But there's also a sense that those companies – which span 11 industries – are reluctant to keep investing through the haze. Over half (58%) of the leaders said they wouldn't make any investment in "innovation" for a full three years – no new products, services, or even ways of doing business.

Not so for KPMG itself – although new UK head of legal services Nick Roome's approach is cautious as well as confident when it comes to growth prospects. In 2014, KPMG recruited Roome from DLA Piper to help it expand in the north of England. But in May 2016 he succeeded indirect tax partner Gary Harley as overall leader, bringing significant law firm experience (Harley secured the firm's ABS licence the year Roome joined).

"We have ambitious growth targets of course, but we don't chase revenue for the sake of it – we need to strive for profitable growth," he says.

"We also want to build a business that fits naturally within the wider KPMG business. It

needs to have the right model and values, and the ability to hit the same financial KPIs as we would expect from other parts of KPMG. All those considerations underpin strategy, and will impact on the pace of growth."

He adds that the emerging profile of the Big Four as legal business brands in their own right – for the second time – also plays a part, and is inevitably a process that can't be rushed. "We operate inside a major professional services brand – and the client base is tremendous – but it can take time for market acceptance to catch up, and you need to scale your practice as that happens."

He adds: "Building a new space in any existing market also means continuously refining the model as you see the results. Some propositions work, others don't, and some things can grow faster than others." As a result, "there's a lot of management focus on formalising the core competencies on offer for clients."

One thing the business has been very clear about is that it's not out to build a full-service law firm. "We can't spread ourselves too thin, and we actually foster relationships with third-party law firms and other legal services providers to complement what we do at times," says Roome.

## Better integrate than never

As we've heard before, life in the arms of a Big Four ABS offers another opportunity to collaborate

on winning and managing work for clients. And having spent 15 years as a corporate lawyer in traditional firms – most recently a partner at DLA Piper – Roome is well placed to spot the difference.

“A big benefit is the integrated proposition. Combining legal services with KPMG’s wider capabilities can offer clients a very different style of service. Lawyers can be more efficient, and are even able to give better-quality, more holistic advice as part of an integrated team.”

And he says it’s a difference that’s already beginning to filter through into recruitment for the future. “We’re frequently approached by very good lawyers who say they find this a compelling alternative to the standalone law firm environment. However, I also find that over time we’re tending to attract lawyers with a less traditional mindset.

“They’re perhaps broader thinkers – a bit more entrepreneurial in nature – and as a result, after learning a lot from being in this multi-disciplinary environment, they can also become more accomplished narrators. They’re better able to talk to clients about business issues beyond their legal needs, which is exactly what you want when building client relationships.”

Another advantage of cross-service integration is the “removal of silo behaviours that impede efficient ways of working in general,” says Roome.

KPMG work space, for example, follows a multi-disciplinary formation: “Our lawyers don’t all sit together in one group, on the same floor. They sit in the appropriate multi-disciplinary teams for going to market together. Something as

**“Bringing our broader range of services and solutions to clients means we’re having that many more conversations, and with many more stakeholders in each client’s business.”**

## Tech and balance

Like law firms, KPMG is carefully tracking the way changing technology could transform its fortunes.

Nick Roome says: “There is a lot of noise about technology change, but as an industry legal hasn’t been brilliant at embracing it in the past, and I think we’ll see quite a few winners and losers on that agenda over time.”

For KPMG it’s a core workstream – divided into “short-term enablers” and longer-term business transformation. Interestingly, automation and artificial intelligence are in the short-term group. “We’ve already used AI-type capabilities on projects in areas such as contract reviews,” says Roome.

What the KPMG legal services business does not have is the legacy dilemma of many law firms and others. “We don’t have lots of unwinding to think about.” Even some of the more mature parts of KPMG have to “unpick parts of what they’ve already built to bring in some examples of transformational technology,” he says.

“And we have access to people and resources elsewhere in the firm, which is also another way we can embrace the world of changing technology and create greater value for clients.”

simple as that naturally lends itself to closer teams and a more positive project management experience.”

### Conversation starter

Meanwhile, more integrated, focused conversations with KPMG’s clients can help to build the steadier, more profitable growth patterns all business teams are ultimately after.

“Bringing our broader range of services and solutions to clients means we’re having that many more conversations, and with many more stakeholders in each client’s business. I think we manage to understand the issues and direction of travel of our clients far more clearly than I ever did in a law firm.” And insight leads to opportunity. “We can identify opportunities to win work a lot earlier in the sales cycle,” he says.

Lawyers often ask their clients if they could get involved in advising them earlier in the process. Here, says Roome, it’s something that seems to come naturally. Now, if KPMG could only get into the business of beating the shock exit polls, it’d surely be in prime competitive position. ▀





# Do you need a next day delivery that's guaranteed?

**Your documents are sensitive,  
urgent and business critical.**  
Our tracked services provide  
delivery reports, online tracking  
in real-time, and with next-day  
delivery by 9am as standard.

For more information  
email [exchange@thedx.co.uk](mailto:exchange@thedx.co.uk)  
or visit [dxdelivery.com/exchange](http://dxdelivery.com/exchange)





# Brain training

## 20

### *Joiner conversation*

Sam Lee, head of recruitment at **Bond Dickinson**, says welcoming apprentices to the world of work may throw up some unexpected challenges


**BEST PRACTICE**

# Joiner conversation

First impressions are important. A firm's new apprentices should create a good one as they embark on a professional career, but remember that it's a two-way street, says Sam Lee, head of recruitment at Bond Dickinson

**A**pprenticeships have been gathering momentum in the legal sector, and that's a hugely positive step. Whether it's a result of an increased focus on the social mobility agenda or due to the introduction of the apprenticeship levy is anyone's guess. But either way we'll see more apprentices joining our industry, so it's important that we get their recruitment and engagement right if we're to secure and retain the best talent for our businesses.

A huge amount of time and effort goes into the recruitment process, and all too often the joining experience receives less attention. That's a shame, because it sets the tone for your people's future with you. Get it right and you have a happy, motivated, productive employee who integrates well into the business. Get it wrong, and the likelihood is they'll



never be fully engaged and you risk longer-term (or at worst short-term) retention issues.

And as far as apprentices are concerned, sadly the latest statistics suggest 30% of people who start apprenticeships don't complete them. There could be any number of reasons for this, but there's no doubt that a good joining experience and high-quality induction programme will help to mitigate the risk of drop-outs.

Of course, if you've got the candidate experience right throughout the recruitment process, your new apprentice should already be joining you feeling enthusiastic and positive about your business and their future career with you. The induction process gives you the opportunity to build on that, turning a great candidate experience into a great employee experience. We've been recruiting apprentices since 2014, and we've learned a lot in that time about what additional support they need throughout the joining and induction process. So, here are some of my top tips for success.

### Keep in touch

Depending on when you run your recruitment process and make your offers, you might find a significant period of time elapses before your apprentice is due to join you. If you've been running a graduate programme, this won't really be a new concept – but if you haven't, maintaining just the right level of contact in that time is important

**Sadly the latest statistics suggest 30% of people who start apprenticeships don't complete them. There could be any number of reasons for this, but there's no doubt that a good joining experience and high-quality induction programme will help to mitigate the risk of drop-outs.**

to ensuring that they do actually join you. The size of your intake might dictate exactly what you do, but where possible we get them into the office, before they join us, to meet their future colleagues and to start 'identifying' as a member of the Bond Dickinson team. 'Good luck' and 'congratulations' cards for A-level students are one nice touch – and not too intrusive.

Also, give some thought to the type of business updates you can share. It all goes toward building the connection with the business, which in turn helps reduce the risk of drop-outs.

### Give the background to background checks

Something that surprised me about our early experiences of recruiting apprentices was the amount of hand-holding we needed to do through the background-checking process. However, it shouldn't have come as a surprise. Many of these candidates are applying for their first job ever, and probably haven't been through the

rigorous checks that we do for all our employees.

So, take some extra time to explain the process thoroughly – what each stage is specifically checking for, and why.

### Office essentials

An induction should inform but also inspire and engage new joiners – regardless of whether they're apprentices or more experienced members of the team. All new joiners need to understand the foundation of your organisation, which includes communicating the culture, vision and values, but it also means helping them to understand how to get things done.

So, for apprentices who've not yet entered the world of work, keep the jargon to a minimum.

There's no doubt that apprentices also need a bit of extra integration into the office environment. For many of them this will be the first time they've set foot inside an office at all outside of the recruitment process, so be prepared to take

them right back to basics.

They'll need to understand office etiquette, but that's more than use of smartphones and iPods (perhaps search the internet for the top 30 most 'annoying office habits' to inject a bit more of a light-hearted approach). However, most of all it's about giving them the confidence to ask questions and the freedom to make mistakes. Create an environment for them in which they're given that freedom, but ensure they also know how to own their mistakes – share what can go wrong if they hide them.

Balancing work and study is also likely to be very new for many, so give them some guidance around how to manage this. You might even need to address the balance of their social life given their newfound extra wealth!

We're turning school leavers into young professionals, and that's more than just equipping people with knowledge and skills to do the job. Think about how you help them with their personal brand. What do they want people to be saying about

them when they leave the room?

There's a definite behavioural and professional step change between where they've been and where they are now. This needs to be reinforced regularly, not just addressed as a one-off induction session. The more reinforcement, the quicker it becomes embedded.

It's also worth involving your apprenticeship provider in the induction process. From a very early stage apprentices can then see how the programme fits with their day job. I'd highly recommend getting your supervisors or mentors involved at this stage too, so that they understand the expectations placed on apprentices from the study perspective.

### Support structures

But once they've joined you, also think about the support network your apprentices will need throughout their development programme. The right level of support can really make or break the apprenticeship programme. Every apprentice in our business has a supervisor and a mentor. The supervisors are ultimately

responsible for ensuring they get the right type of work to support their studies, as well as fulfilling the usual line management duties.

But our mentors are much closer to the apprentices in age and will support them, more informally, throughout their apprenticeship. We also have an 'apprentice champion' for each scheme, who has overall responsibility for ensuring the success of the whole programme, the welfare of all the apprentices and their ongoing development. This role really has made the difference for us, and without it I don't think we'd have seen the successes that we have.

Don't forget training, development and ongoing support for your supervisors and mentors. Supervising someone in their very first job can be quite a different challenge to supervising more experienced team members. Not only that, they need to be alive to safeguarding and signs to keep an eye out for, whether that's home, work, or even exam stress.

One final point worth noting is parental involvement. I've been amazed at quite how involved some parents want to be in this process (at recruitment, but also post-joining!), so there are some expectations to manage there. Providing information specifically aimed at parents during recruitment can help with this.

All our apprentices have online portfolios, and we encourage them to share their progress with their parents so that we don't have to! ▴

**Supervising someone in their very first job can be quite a different challenge to supervising more experienced team members. Not only that, they need to be alive to safeguarding and signs to keep an eye out for, whether that's home, work or even exam stresses.**



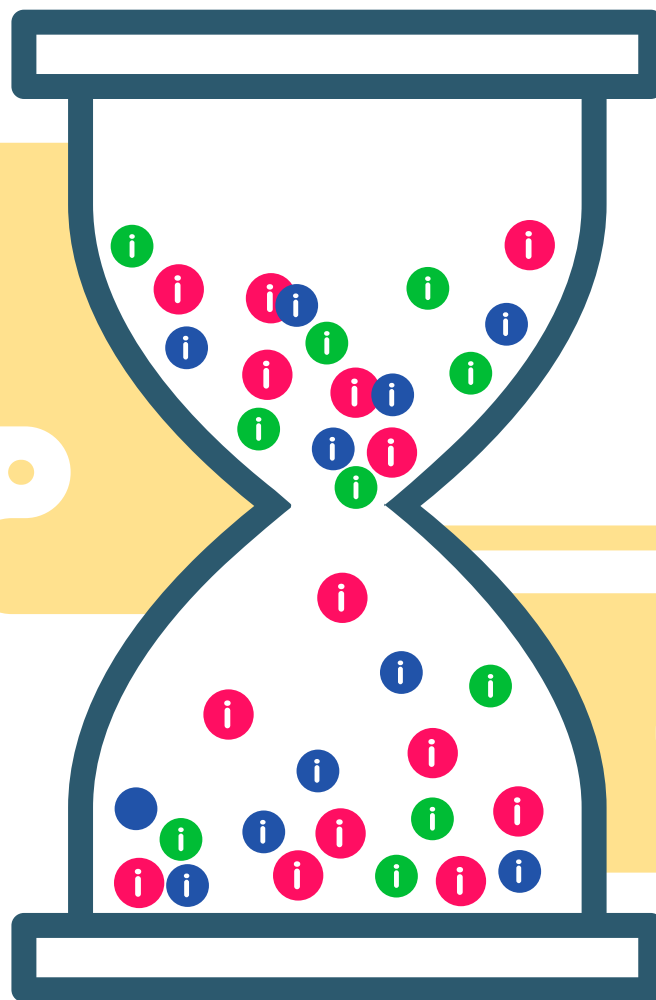
# Industry views

## 24

### *Countdown with confidence*

Ian Raine, director of product management at **iManage**, says time is running out to get ready for the EU's General Data Protection Regulation





## INDUSTRY ANALYSIS

# Countdown with confidence

Ian Raine, director of product management at iManage, reminds us that there's just under a year to go until EU citizens have new rights over what we do with their data

**T**he European Union's General Data Protection Regulation (GDPR) – which takes effect on 25 May 2018 – is officially less than a year away. This is the final countdown, and as the clock ticks on toward the enforcement date, the question remains: will professional services firms in the UK be able to meet GDPR's numerous requirements and ensure compliance?

This will be no small undertaking. Four years in the making, the new rules represent the most important change in data privacy regulation for 20 years. The definitions of “personal data” and “sensitive personal data” have been significantly widened, and the requirements around how that data is processed and stored have expanded.

Meanwhile, the territorial scope of the regulation has increased – GDPR applies not just to all EU member states, including the UK (for now at

least), but also to non-EU companies that process personal data of individuals in the EU. The penalties for non-compliance have also mushroomed: organisations in breach of GDPR can be fined up to 4% of annual global turnover, or £20m (whichever is the greater).

To better understand the potential impact of GDPR and how best to reduce exposure, all firms in the UK now need to ask themselves: are we storing or processing personal data/sensitive personal data – and critically, is this data adequately protected?

In many cases companies will need a revised information governance strategy in order to respond with an unqualified ‘yes’.

## Change of governance

When we talk about information governance, we're referring to the ability to manage, secure and



For more information, visit:  
[www.imanage.com](http://www.imanage.com)

## Firms will need to notify the authorities of any data-protection breaches within 72 hours of becoming aware that one has resulted in unauthorised loss.

govern critical information at every step of a professional engagement – from inception to closure, and beyond, including disposal when policy rules permit.

Information governance starts with a comprehensive document management or work product management system that can capture and organise sensitive information embedded in email and other communications streams, as well as the firm's documents.

Many of the GDPR's requirements centre on the idea of security and privacy by design, which means firms should look for a work product management system that provides support for multi-factor authentication – requiring the user to have more than a password to get access. The system should also offer matter or project-level security, enabling restriction of access to team members only. And it should provide encryption at rest and in motion, so data isn't easily compromised in the event of a breach.

Speaking of the cyber threat, under GDPR firms will need to notify the authorities of any data-protection breaches within 72 hours of becoming aware that one has resulted in unauthorised loss, amendment, or disclosure of data. If there's a high risk to the data protection rights of any affected clients, prospects or employees, firms will also need to communicate the breach promptly to the data subject individually.

In order to best address this aspect of GDPR, firms will want a system with the ability to detect an intrusion quickly through behaviour analytics to limit or minimise the data loss. Correct data

access audit trails, which can provide a method for identifying the scope of a data breach, are also desirable. Without these types of features to help identify what specifically has been breached, firms will need to inform all potentially affected parties, which could dramatically – negatively – affect a firm's reputation.

### Rights moves

A separate point is that data subjects have new and expanded rights under the GDPR, including the “right to access” (to obtain confirmation from the data controller as to whether or not personal data is being processed, and to receive a copy, free of charge, in a portable electronic format) and the “right to be forgotten.” Also known as data erasure, the latter entitles the data subject to have the controller erase their personal data, cease further dissemination of the data, and potentially have third parties halt processing of the data.

To satisfy these, companies should look for a system that offers the ability to track all personal data mapped to each client and engagement, as well as enterprise-grade search across different repositories. These capabilities can ensure compliance with data access requests and help to discover data for return, erasure and portability.

Finally, a comprehensive information governance strategy should also apply to any cloud service providers (CSPs) firms engage. To ensure GDPR compliance, firms should carefully evaluate any CSP against its ability to meet GDPR requirements, and ensure contracts with the CSP contain the appropriate language.

It's critical for all UK firms to start planning now for how they will respond to these extensive requirements. With a robust information governance strategy, firms can start implementing the controls and protections needed to achieve strong security for their client, prospect, and employee personal data, ensuring a worry-free countdown to GDPR compliance. 

MANAGEMENT SPEAKS

# Aligning the strands



New research from the University of Oxford's Saïd Business School finds businesses considerably underappreciate how much enterprise 'misalignment' will damage their financial performance. Associate professor of management practice Jonathan Trevor explains what might be amiss

**Q** What's the big problem your research identified?

Organisations don't think of themselves as value chains – or don't realise they have complementary components that should connect together and need to support one another to survive and thrive in the 21st century. But actually, that's the most important thing of all. In fact, a lack of strategic alignment is why most organisations go off the rails. Most executives think of their organisations as merely 'boxes and wires' on an old chart, and that is a fundamental error. It's much more complex than that.

**Q** You conclude that the chain is only ever as strong as its weakest link – which links are the weakest?

There is potential for disconnection at each point, but there are two key ones. First is between an enduring purpose and dynamic strategy – a lot of companies were trying to align people behind an unclear purpose and never answering the important question of 'why'. Second is between strategy and organisational capabilities – so, where strategies aren't translated into a set of coherent organisational design choices. A strategy is merely a set of intentions unless the organisation is capable of implementing it. On the other hand, capability that's hard to emulate can become a strategic differentiator if it's distinctive.

**Q** Another finding was a failure of leadership to 'own' alignment. What's missing here?

We need to differentiate between the

leader and 'leadership'. What's required is a leadership team (which could be five or 50 people, depending on the enterprise) that's able to make collective decisions about its health and direction. Critically, they all need to have a common language, coming to the conversation on equal terms to develop a consensus.

**Q** Are there any other common mistakes you came across?

Asking what successful business X 'does right' is the wrong question. They do what works for them – that's why they're successful. Don't assume it will also work for you. We try to be like those we already admire, but solutions need to be home-grown.

**Q** How are professional services firms faring in all this?

The common language is a problem, especially in professional services. The reason is we've traditionally structured organisations very vertically and embraced individual contributions – and for very good reasons. Verticalisation means specialisation, which is how we develop reliable expertise stably and efficiently. But today professional services clients want more connectivity horizontally across domains of expertise – and professional services firms need to develop connected, multidisciplinary capability to deliver against changing and complex client preferences. Customisation and personalisation of service also challenge a vertical and stable structure, built for efficiencies, for both fee earners and business services. ▀





Briefing<sup>+</sup>

**5P**

**PRICING  
PITCHING  
PROJECTS  
PROCESS  
PEOPLE**

**ONE-DAY CONFERENCE, LONDON**

**THURSDAY 21 SEPTEMBER 2017**

**Unite and conquer**

**EARLY BIRD £445+VAT**

**NEW BIZ  
NEW  
RULES**

Briefing 5P joins the dots between marketing, BD, matter/project management, pricing, process, pitching and profitability – and connects the people who bring those skills to legal business.

Pitch and delivery experts at top-tier law firms, this is where your community comes together.

**[www.briefing.co.uk/5P2017](http://www.briefing.co.uk/5P2017)**

Contact the Briefing events team

**[events@briefing.co.uk](mailto:events@briefing.co.uk)**

**0870 112 5058**



# DWReporting

Finance Systems & BI

## Evaluate

Matter Pricing, Budgeting and Tracking

Analyse | Monitor | Manage

## Quantum

Financial Business Intelligence

Flexibility | Timeliness | Autonomy

## Assign

Managed Reporting Services

Alignment | End User Management | Peace of Mind



@DWReporting #drivenbydata

[www.dwreporting.com](http://www.dwreporting.com)