

GIANT STEPS Dentons' global CEO on managing rapid transformation BOT STUFF Briefing Frontiers rides the wave of artificial intelligence TRAINING TIMES How Fladgate managed to get everyone to up their IT game



Aiming for inequality?

Women are still not winning their share of the top jobs in law firms – we ask those who have cracked the glass ceiling how it's done

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Spring chickens



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Editor's letter



ur first outing for a brand new series of **Briefing** events – Frontiers – at the end of February felt spectacularly well-timed.

How could we not kick things off with AI and its impact on the business of law?

Just a week before Frontiers, MEPs had voted that the EU Commission should propose safeguards to rein in this rapidly accelerating field. Before the robots get too carried away, the resolution called for urgent clarification of some liability issues (especially for self-driving cars, of course) – and in the long run, a specific legal status so we know who to blame if (or when) they run amok. For the researchers and designers, a voluntary ethical code of conduct, and a European agency to inform public

Equality might be improving below management level, but boardrooms are still painfully male.

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authorities, also sound like good ideas.

On the other hand, the same politicians felt now was not the time to be talking about another much-discussed risk factor associated with AI – which may or may not be on the horizon for legal. They rejected the session's call for a 'universal basic income' to cover a potential increase in unemployment.

Luxembourg's Mady Delvaux expressed disappointment that they'd "refused to take account of possible negative consequences on the job market. They rejected an open-minded and forwardlooking debate."

Given it would, I guess, also mean more work for them, it'd be fascinating to know what firms make of the risk/reward balance in regulation for AI systems they're increasingly investing in.

As for our event – my mind was suitably boggled in all sorts of ways by some fantastic speakers. But the point raised that most struck me was another very human risk on the radar – the purely practical matter of how firms raise the topic of any shift in liability with clients. They're reviewing all these robotic options to make clients' lives easier (or more cost-effective) – but what happens, and who pays, in that one instance when the (cheaper) AI doesn't beat the human to the smoking gun after all?

Let's just hope that AIs don't steal all the jobs in legal before women get to have their fair share. Equality might be improving below management level, but boardrooms are still painfully male. In our cover feature, we ask female leaders how they're changing that in their firms – useful lessons for all.

RICHARD BRENT EDITOR



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Polycentric circles

"It isn't in our clients' interests for us to exaggerate our capabilities"

Elliott Portnoy, global CEO at Dentons





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

Relationship status



S ome 'special relationships' out there seemed to be under a spot of pressure in February. But that isn't the case for new pairing **Eversheds Sutherland**, now basking in the glow of being a 'top 10' UK player. OK sure, **Sutherland Asbil & Brennan** had to surrender a couple of its names before settling down, but the pair are understandably waxing lyrical about why it's so much better to be coupled up.

Outgoing Eversheds chief executive Bryan Hughes said: "Establishing a truly global platform for our clients, including a strong presence in the US, has long been our number-one priority.

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Offices, across 29 countries, for new top 40 global firm Eversheds Sutherland

"Sutherland completely shares our approach to the creation of meaningful long-term relationships with clients.

"We are very much looking forward to working together, collaborating as equal partners to create a new and powerful offering in the legal sector."

It's all so equal, of course, that CEO-elect Lee Ranson and former Sutherland managing partner, Mark Wasserman, will share duties as joint CEOs. And may they be very happy together, say we.

Right, that's enough of the lovey-dovey stuff for one roundup. We'll move onto the fact that an interim report from its (second) set of adminstrators has had something to say about the the high-profile demise of **King & Wood Mallesons** Europe. In a nutshell: "Administration

was the only resort left to the firm, which saw an accelerating rate of partner and staff departures during 2016, as the extent of the firm's financial difficulties became apparent."

And joint administrator at Quantuma, Andrew Hosking, said in a press release: "By 22 December 2016, it had become apparent that KWM required funding above the level available to it and that it would not be in a position to meet salary costs beyond early January 2017 and to meet the partners' Schedule D1 tax liability due on 31 January 2017.

After an initial restructure in which 20 partners left, a revised support package wasn't supported by enough that remained, their own farewells "further impairing its viability through loss of revenue and repayment of partner capital."

Back to a firm that's feeling more loved up I think. **Fieldfisher** is still in the first flush of a recent move into China, quickly expanding its interests from Beijing into Shanghai.

The firm is another to pin hopes on the Swiss verein to thrive in new relationship territory. Managing partner Michael Chissick said: "Since JS Partners became part of the Fieldfisher family in November ... we've been working closely to ensure continued growth of the firm in China. The opening of a Shanghai office is a natural next step."

The Fieldfisher team must be feeling pretty good. They're also launching over in Amsterdam come May. "We send more work to this jurisdiction than any others where we don't have an office," said Chissick.

It's always nice to give a little something back. **Browne Jacobson**, for example, has launched a free 'legal support service' called Grow. It supports startups with an on-call "dedicated adviser" – but that's just as much about supporting those gifted lawyers doing the advising toward their partnership ambitions, says the firm.

"I feel like founders teach us as much as we teach them; the relationship is reciprocal," said Chris Carroll, an adviser in the fintech team.

These law firms really are all heart.





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EXPERT SPEAKERS



Anthony Macey Head of blockchain R&D



Tyler Welmans Blockchain specialist Deloitte. Digital



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EVENT REPORT

Robot's chores?

In Februray **Briefing** welcomed delegates to the first in our new event series, Frontiers. At each half-day, seminar-style forum, we'll try to get underneath the hype of a fresh 'hot topic' in legal business management

H osted at Reed Smith's London HQ on 22 February we started the Frontiers series with AI. First off, we heard from futurist David Wood. "Technology is eating the world," he told us. And it's imperative that all businesses know their 'NBICs' – what's going on in nanotech, biotech, infotech and cognitech. As recently as 2004, people thought selfdriving cars were but a pipe dream – while in Japan 'emobots' are already welcomed as caring professionals, responding to mood signals in real-time.

More broadly, what's driving AI isn't only the financial motivation of more cost-effective, predictable outcomes – but also society's "existential motivation" to see the change happen, said Wood. Far from hype, has the trend in fact reached an irresistible tipping point?

Law firms are certainly finding use cases. We heard from Murray Cox, corporate and commercial partner at Slaughter and May, about the firm's implementation of Luminance to accelerate due diligence through pattern recognition and clustering of documents in the data room. Using probabilistic mathematics it detects discrepancies, and therefore highlights risk – but can also act as a workflow management tool for optimising resourcing. But the key result is a "massive acceleration in the first pass – and answers to clients faster," said Cox.

But is AI freeing up a law firm's people to do more interesting and valuable work – or is there a threat to the career path? Our panel of business services leaders from Reed Smith, Taylor Wessing, Linklaters and Herbert Smith Freehills discussed this, alongside the rise of customer service by bot, plus how AI outcomes could impact on liability and pricing – and how to map changes onto process improvement more broadly.

Chris Williams, chief architect, Europe, for IBM Watson, closed the day – letting us know that, ironically, AI also gives rise to needing a new kind of human. In the not-too-distant future we'll be "bouncing ideas off machines" as we would our colleagues – or even friends – but "teaching a system isn't the same as programming it. There's an art to this, as well as the science." ****

Briefing Frontiers – From lawyers to legal engineers: Decoding digital disruption in law 30 March, Ince & Co, London **Contact: frontiers@briefing.co.uk**









ROB LANKESTER Document automation manager - BLP

Yes. With the exponential impact of technology on the legal profession comes growing demand for a diverse range of skills to fully leverage the benefits. Firms that fail to grasp this risk being left behind. At BLP we have already started to implement our strategy for developing such skills internally, including training lawyers - from paralegal to partner - in document automation.



NATALIE SANDPEARL Business document automation manager – Irwin Mitchell

As law firms increasingly engage with new technology, AI is fast becoming the normal state of play in the legal sector. But lawyers don't necessarily need new skills to unlock the potential of AI - more a deeper understanding of the context of how technology can benefit their existing client offering and add value within an increasingly competitive market. Evolution - not revolution - is crucial to harnessing the benefits of tools such as automation or predictive analytics, with a focus on continuous improvement.

Al strategic shifts

Do firms need a strategy now for developing the new skills people might need in a legal business environment where artificial intelligence is doing more of the work?



PARTHA MUDGIL Tactical opportunities and artificial intelligence – Linklaters

The short answer is yes. Firms should have a strategy to develop new skills. However, such a strategy would fail if it were to focus, narrowly, on technical skillsets like coding or data management. A successful strategy for skills that is aimed at truly leveraging the potential of AI technologies would also have to sharpen focus on improving and upscaling some existing skillsets such as critical analysis, problem solving and adaptability. In the context of the legal sector, in addition to bringing in more people with technical skillsets to help with data management and technology delivery, we have been working with frontline lawyers to help them think more critically about their everyday tasks. It is their collaboration with colleagues with coding skills, for example, which will enable the productive deployment of AI in the workplace.



🕥 💿 Do you have a view? Or an issue that we ought to debate? Have your say on Lex Pop – tweet us @Briefingmag or email editorial@briefing.co.uk

READING LIST

Leadership in question

Geraint Evans, head of new business at CMS, finds 4D Leadership: Competitive Advantage Through Vertical Leadership Development a useful guide to selfimprovement as a leader – if one that may assume too much self-awareness



Ken Wilber's original integral model was ambitious. He set out to see if it was possible to construct a "theory of everything." Becoming one of the foremost approaches in the larger field of integral studies and metatheory, he found most theories tend to focus on one element of his four-quadrant model. Leadership, management practice, philosophy, psychology, spirituality, ecology, or any other academic discipline could be placed in this map of reality. The quadrants - dimensions of reality are actual aspects of the world that are always present in each moment. All individuals have some form of subjective experience and intentionality, as well as various observable behaviours and physicological components. In addition, individuals are never just alone, but are members of groups or collectives.

In 4D Leadership, Dr Alan Watkins takes the theory and spins it on its head – moving the quadrants to represent his 'enlightened leadership model.' At first glance this might all seem like academic navel-gazing with little value to us in the real world. But the model allows us to consider why leaders may, or may not, be successful. Watkins applies it to changes resulting from an increasingly complex world characterised by volatility, uncertainty, complexity and ambiguity (VCUA). How should leaders react to such factors?

I believe he successfully demonstrates that leaders have largely focused on the short-term dimension of tasks within a world of 'doing' – but may have lost the ability to connect on the deeper levels of 'relating' or 'being.' Powerful, authentic leaders always bring all of who they are to the party – that's what makes them powerful and authentic. Watkins says exceptional leaders move between these three dimensions and also develop "vertically" in each.

However, although he concludes each chapter with a set of action steps, which set out a series of ways in which leaders might improve, many of these are reliant on leaders' ability to be critically selfaware – to proactively seek additional support to rise through the dimensions. The logical next step would have been inclusion of specific case studies from the author's own extensive consulting and mentoring experience, which may have brought some of these lists and concepts to life.

Watkins covers a vast amount of ground in the area – and given recent events it would be great to see him turn his attention to the critical intersection of leadership and statesmanship.



Publisher: Kogan Page Publication date: Dec 2015 Price: £19.99

Leaders have largely focused on the shortterm dimension of tasks within a world of 'doing' – but may have lost the ability to connect on the deeper levels of 'relating' or 'being.' Powerful, authentic leaders always bring all of who they are to the party.



WHAT'S ON YOUR WHITEBOARD?



Catherine Cadman, global head of knowledge at Mourant Ozannes, talks about the importance of KM teams collaborating to deliver business success, and what life is like working offshore

What, in your view, is the relationship between KM and L&D?

The very nature of KM is that it's all-pervasive. It touches every part of the organisation, from L&D, BD and legal practice, to pricing, systems, people, working environment/space, process and productivity. Alongside the creation of high-quality content, understanding, managing, creating and enhancing these connections internally and externally is key for knowledge professionals. There's often a debate around who owns L&D. with a number of different models in play. Personally I don't think it matters, provided that both teams collaborate, the outcomes are business-focused, and they benefit the firm's clients.

What's your most exciting recent project? Knowledge recently collaborated with HR, partners, our CFO, COO, CMO and external specialists to develop and deliver a five-day residential course for our 'Counsel Partner Track' candidates – part of 'Advance,' our career development programme

for lawyers. Attendees travelled from all of our office locations in London, the Channel Islands, BVI, Cayman and Hong Kong to attend so it was a large investment for us. Intensive teaching, workshops and partner panels provided business challenges for delegates to consider, including a full-day module on KM. It's a good example of businessfocused collaboration and we're pleased that it has been shortlisted for an award for best leadership development.

What's most exciting in 'knowledge' technology?' There are the usual suspects - search, AI, automation, e-discovery, data mining and deep learning continue to generate interest. That said, I have to say I do think that each firm should tackle this stuff from the perspective of its own needs and those of its clients. Inevitably there are technologies which law firms simply have to buy into to stay in the game, but it's important to stay focused on what your firm actually needs rather than simply follow the crowd. Sometimes the smallest tweaks to existing practices will have the biggest impacts.

What recent projects have most impacted profitability? We're focused on getting the balance right between people, culture and systems investments. Our leadership programme was designed specifically because we believe that getting leadership right can have a direct impact on profitability. We've also expanded our KM team as part of our 20/20global strategy. These resources were heavily involved in lawyer learning and development, cultural change, systems projects and highly successful client matters last year. We are about to enter the next phase of projects, so 2017 should be an exciting year for us.

What's the best part of being offshore?

Living on a beautiful island and working with highly skilled legal and business services teams – it's a busy role so it's a bonus to be able to head to the beach on a Sunday to blow the cobwebs out and assemble my thoughts for the coming week. Wellbeing isn't just a buzz word. Wherever you live, finding that place or activity for personal downtime is important and key to any successful career.

Source: Stonewall Top 100 Employers List for 2017. A total of 439 organisations took part in the index Over 92.000 staff took part in the anonymous survey of attitudes – up from 60.000 in 2016.

LESBIAN GAY, BI AND TRANS (LGBT) EQUALITY CHARITY STONEWALL'S 2017 TOP EMPLOYERS LIST SEES LEGAL BUSINESS SCOOPING HALF OF THE 'TOP 10' MOST LGBT-INCLUSIVE ORGANISATIONS IN THE UK

- 1 LLOYDS BANKING GROUP
- 2 PINSENT MASONS
- 3 JP MORGAN
- 4 CLIFFORD CHANCE
- 5 MI5
- 5 NATIONAL ASSEMBLY FOR WALES
- 7 BAKER MCKENZIE
- 8 BERWIN LEIGHTON PAISNER
- 8 CHESHIRE FIRE & RESCUE SERVICE
- **10 NORTON ROSE FULBRIGHT**
- 10 KPMG
- 12 TOWER HAMLETS HOMES
- 13 CROWN OFFICE & PROCURATOR FISCAL SERVICE
- 13 RBS
- 15 LEICESTERSHIRE POLICE
- 16 CHESHIRE POLICE

17 DENTONS

17 HOGAN LOVELLS

19 PWC

- 20 MI6
- 20 POLICE SCOTLAND
- 20 VICTIM SUPPORT
- 23 CARDIFF UNIVERSITY

24 HERBERT SMITH FREEHILLS

25 ASDA

25 FRESHFIELDS BRUCKHAUS DERINGER

25 WELSH GOVERNMENT

28	HOUSE	OF	COMMONS

- 28 TOUCHSTONE
- 28 YOUR HOMES NEWCASTLE
- 31 CITI
- **31 CMS CAMERON MCKENNA**

31 THE CO-OPERATIVE GROUP

- **31 SWANSEA UNIVERSITY**
- **35 NOTTINGHAMSHIRE POLICE**

36 DWF

- 36 LEICESTERSHIRE COUNTY COUNCIL
- **38 NEWCASTLE CITY COUNCIL**
- 39 AVIVA
- 39 DE MONTFORT UNIVERSITY
- 41 MANCHESTER METROPOLITAN UNIVERSITY
- 41 UNIVERSITY OF MANCHESTER

43 K&L GATES

- 43 LONDON BOROUGH OF TOWER HAMLETS
- 43 ST ANDREW'S HEALTHCARE
- 43 ST MUNGO'S
- 47 ENVIRONMENT AGENCY
- 48 FUJITSU

49 CLEARY GOTTLIEB STEEN & HAMILTON

50 SCOTTISH GOVERNMENT

Other law firms firms to make the 100 are Travers Smith (58), Eversheds (69), Slaughter and May (70) and Reed Smith (75) – while Simmons & Simmons is recognised as a 'star performer'.

BUT ACROSS ORGANISATIONS AND BUSINESSES IN ALL SECTORS, STONEWALL'S ANONYOUS SURVEY OF WORKPLACE ATTITUDES ALSO FOUND:

1/8 of lesbian, gay, and bisexual people are uncomfortable disclosing sexual orientation to managers or other senior colleagues.



1/5 of trans employees are uncomfortable disclosing their gender identity to any of their work colleagues.



Of trans employees report feeling uncomfortable disclosing their gender identity to clients or service users. HOWEVER, MORE TRANS EMPLOYEES THAN BI EMPLOYEES REPORT SEEING SENIOR ROLE MODELS AT WORK (ACCORDING TO TRANS AND BI RESPONDENTS RESPECTIVELY.)

Do you see role models in support of openness about your sexuality at work?

BI STAFF - 22%

TRANS STAFF - 32%

GAY MALE STAFF - 63%



IN OTHER STATS, CALLS TO CHARITY LAWCARE'S CONFIDENTIAL HELPLINE ROSE AGAIN IN 2016

> MORE CALLS THAN IN 2015

of calls concerned stress, up from 37% IN 2015

OF CALLERS MENTIONED DEPRESSION

OF CALLS DESCRIBED BULLYING OR HARASSMENT, DOWN FROM 9% IN 2015.

OF CALLERS WERE MEN, UP FROM 35%.

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SPEAK UP

Pricing finds its sparkle

at Baker McKenzie, says the pricing skillset may feel like an unattainable



Stuart Dodds, director of global pricing and legal project management unicorn, but it's no myth that you're set to profit if you catch one

ith the proliferation of titles such as chief strategic pricing officer, director of W pricing and director of pricing and project management, the role of the pricing professional within legal services has become well-established.

Or has it? It's a profession (note the choice of word) where it took seven years to see the first 30 pricing directors, but only another seven months for the next 10 to come along. As long ago as 2012 it was the 'hot new hire' in the US. At face value, the role of pricing officer had gone from a position few firms had to one deemed integral to the fabric of a successful firm. But that was in the US. What of the UK?

In 2013, a Briefing survey identified the trend of more firms looking to appoint dedicated pricing professionals. But only seven of the 68 UK firms surveyed had someone looking at pricing, and only four had the word pricing in their title. The survey also outlined some required attributes, but this was so comprehensive it seemed the equivalent of trying to find a unicorn - a salesperson, financial analyst and operations manager all rolled into one.

However, legal pricing (and project management) generally - and alternative fee arrangements specifically - are now seen as

The impact is especially acute for firms defined as 'mid-tier', where profit margins may already be low. Here even small changes in market share may have devastating impacts.

essential skills for a law firm, if not for every lawyer. They're also skills that some partners and associates are yet to acquire.

In addition, while demand for a central source for capturing pricing and fee information grows (as does standardising non-hourly pricing approaches so these can be reused and improved), there is also a realisation that little is likely to change unless a resource is in place to drive it. Enter the pricing director.

Specific developments in the UK also make this role increasingly important. Market consolidation and law firm realignment play a part, but so do more structural themes - specifically the rise of new legal business models and the impact of ongoing legal reforms.

New business models are perhaps the most fundamental - and the impact is especially acute for firms defined as 'mid-tier', where profit margins may already be low. Here, even small changes in market share may have devastating impacts, not least as the Big Four increasingly focus on mid-tier, process-oriented work and other areas of law that align well with their existing services.

This makes a (profitable) firm's ability to match price to client value perception - ensuring any work is executed profitably to the agreed fee with the client, and with different fee options essential.

And for those that do have a pricing function, this is now beginning to bear fruit. One recent study highlights that 75% of firms that changed their strategic approach to pricing reported increased profits per equity partner, compared to 66% of firms that had not (and that's before positive client relationship impacts).

Have you found your unicorn?

Verein talking

Tony Williams, principal at Jomati Consultants, says that firms tempted to try a verein arrangement need to weigh the pros and cons carefully before concluding they can comfortably have their cake and eat it



he recent decline of KWM Europe into administration has brought into sharp focus the fundamental differences between a 'combination' using a verein-type structure and a full economic and operational merger.

A verein structure is, in effect, an association of independent law firms. The verein or coordinating vehicle may require certain standards for membership, control the use of the brand name and provide for the means of coordinating the member firms and funding the verein and certain shared services, such as brand development, marketing and IT. But the member firms maintain their own governance structure, profit-sharing schemes and a high level of operational independence.

Some combinations have used a verein as an interim structure before moving to de facto full financial and operational integration. Others intend to maintain the independent structure for the long term. Although we refer to 'vereins', a variety of legal entities are used – but the fundamental approach is similar.

A verein-type structure has the following perceived benefits:

• If the business case is strong, the firms can proceed with an opportunity immediately, without needing to have similar economic performance, profit-sharing schemes or governance structures.

• Each firm has a high degree of operational

independence, so nobody is 'taken over'.

• To some extent, the member firms can 'have their cake and eat it' by retaining their independence but operate under one – supposedly unified – legal name.

• Combinations can be effected more quickly than a full merger, as the level of due diligence and the integration required by a full merger may not be considered necessary (although post-KWM Europe this view may change).

However, these advantages need to be balanced against the perceived disadvantages:

• Independence may mean incentives to work effectively together may not be present, or at least not be as strong, as in the case of a full merger.

• Any 'issues' the member firm has before joining the verein are unlikely to be solved by membership of the verein, and may be temporarily papered over.

• Issues such as different conflict rules and professional indemnity insurance arrangements can cause challenges in relation to global client relationships.

• Member firms are usually not legally obliged to support another member that gets into difficulty.

Given the business imperatives for many law firms to operate internationally, it's likely that the verein structure will continue to be used. However, anyone contemplating its use needs to clearly understand and mitigate the potential downside of the model.





Features

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Femme firms? Women at the top of legal businesses on the challenges of improving diversity



Cultural evolution Elliott Portnoy, global CEO of **Dentons**, on growth through granting independence

Femme firms?

Despite an equal number of women and men in entry-level business roles, the world has yet to see a proportionate level of women in positions of power – and they're even less visible in legal Words Kayli Olson





orking your way up as a professional in legal business is no easy task. Whether that's practicing law or managing the firm, it takes time, commitment, and a complete loss

of self – you are nothing if not your job, right? With thinking like that, it's no wonder it has taken the legal sector a considerable amount of time to see women in senior roles in significant numbers – with 'traditional' mindsets lingering.

Today, there's a nearly even split at entry level between men and women applying for training contracts – but this has yet to make it up to senior roles in the same way, and it's not just the fee earning side.

Grant Thornton's International Business Report 2016, Women in business: Turning promise into practice, found that just 24% of senior business roles (across many sectors) globally are held by women (up from 22% in 2015). But in the UK, the number of women in those roles has fallen to 21% (from 22% in 2015).

At Stephenson Harwood, Sharon White was initially rejected (unrelated to gender) for an

interview for a training contract at the firm – where she is now CEO.

"When our new trainees join I always say 'You're certainly ahead of me when I started'," she says. For her firm, she adds, what matters more is not an impressive degree from a Russell Group university but a clever mind and willingness to put in the hard work.

Male or female, it takes a certain level of fierceness to make it up the ranks to senior level, and the gatekeepers aren't blind to race, gender, sexual orientation or background, at least not yet.

Blast from the past

Back in the mid-80s – even at entry level – the number of women in business was small, says White, inside firms and client-side alike. "I can't ever remember having a woman client. And the clients that I did have at that time were perhaps not as used to dealing with a female lawyer. For many, it was a fairly novel thing."

But, she adds, once they got past that and saw how good you were, they were willing to form a business relationship.



"Inevitably, there were a few clients who weren't so keen, but happily, there were enough who were more interested in the quality of advice," White says.

Claire Rowe, CEO at Shoosmiths, recalls a similar time. "I have been in the profession since the 1980s – it was a very different profession at the time and we've come on considerably."

Rowe has been at Shoosmiths for her whole career, starting out at what was then known as an articled clerk.

"I was delighted when I made partner, but can remember a certain attitude in some senior partners who said to me: 'Yes, but of course you will have a career break and step down at some point, won't you?'," she says. "You wouldn't dare say something like that now, but that was just how it was in the 80s and 90s.

"I did have a family, but I didn't step down or have a career break – I carried on. And so has the firm and the legal sector's attitude in general."

White agrees: "Of course, in those days there was a certain amount of banter that wouldn't be acceptable now. It wasn't all negative being a woman in business – I have always benefited from being supported by partners and



"When I was first a mother, the fax was as exciting as it got ... Now, it's possible to work much more flexibly and agilely, and it's something that we embrace."

Sharon White, CEO, Stephenson Harwood

senior people at the firm, both male and female."

What about the world of business services? Business development director at Travers Smith, Lesley O'Leary says her role in legal has changed significantly. "Two decades ago we were just seen as 'party planners' or a group of people who could make something look 'pretty'. Now, we have a voice and a seat at the table. We can never take that for granted, however."

Changing attitudes

At Stephenson Harwood there are a number of different events and support groups that employees can get involved in, all aimed at imparting diversity and awareness of barriers. White says: "Alongside our women's network, we also have a programme that provides mentoring and other support to our women to help them progress.

"On top of that, we hold some events with our women's network, which includes our clients – there's always a great buzz in the room and we get really good feedback from both our employees and clients."

And there has been quite a sea change over the last few years as legal businesses see more men showing support and coming to women's network events, she adds.

O'Leary, at Travers Smith, is also a part of her firm's women's network and sees similar results from support groups. "Gender diversity is an issue for everyone, not just women. I have two daughters and I want them to believe they can achieve anything if they put their minds to it. I am a professional first. The fact I happen to be a woman is just biology."

Shoosmiths also has a gender equality focus group, where Rowe asks her employees to look at some of the big questions that still exist around gender imbalance found at the top in the legal sector.

"We look to see what is driving that – what are the potential blockers to the advancement of our people? If you step back a moment and get away from diversity as the single factor, frankly it comes down to good management."

Part of that good management is to offer people a wide range of support and opportunities – including unconscious bias training, which has become an increasingly popular tool in law firms and refers to the unconscious positive or negative behaviour we act upon based on personal and social stereotypes of a group of people.

White at Stephenson Harwood says: "We also have unconscious bias training available. It's not compulsory but a lot of our people have been through that training – in fact, I noticed on our calendar the other day that some of our sessions were fully booked."

BD director at Travers Smith O'Leary says that as she's become more experienced, she's also got more confident reaching out for support to help her be a better leader. "I was conscious that by having that support I would be better at my job, a better colleague, a better mum and a better friend – I worked with a fantastic coach who was recommended to me.

"I met her and decided that we could work together. The coaching programme included 360-degree feedback, which involved input from our partners and my team. We made an action plan and I have been a work in progress ever since. I certainly feel as if I came out a better manager for doing it and I would encourage others to consider it. Grab every opportunity for self-improvement."

White points out that a diversity network should involve input from everyone at the firm, men and women, junior and senior. "There's a real momentum behind it now. The more women you see in senior positions, the more it starts to snowball, and that's because of changes in the attitude of men as well. More men want to be more involved in childcare, which has also opened doors to different ways of working."

Also, having women role models is a great driver, and gives other women something to aspire to.

Homemade decisions

It's not just changing mindsets which have made their way into the legal sector – ways firms are operating have changed too. O'Leary says: "Technology makes it possible to work agilely but it's only when you see senior people leading by example that change becomes the norm. I've worked flexibly for more than 14 years myself."

Advances in technology have allowed everyone to change the way they work – including parents. And with policy, it ultimately strengthens the relationship between employee and firm.

White says: "When I was first a mother, the fax was as exciting as it got. I remember having one at home so that I could at least go home sometimes, rather than wait for documents to come through at the office. Now it's possible to work much more flexibly and agilely, and it's something that we embrace."

O'Leary says she had tried being a "stay-athome mum" when she had her first daughter but hated it. "I missed the buzz, the stress, the deadlines, the sense of team, and I felt that I had lost myself along the way. I found that I'm happiest when I'm working and our family unit seems to be happier then, too."

She realises that it's not for everyone. "I've



learned to stop apologising to the stay-at-home mums at school for the fact I work, even though I am sure it was only me judging myself at the school gates. No one should be in competition with anyone else. We are all just doing our best."

At Shoosmiths, Rowe says that times have changed on the topic of childcare – and people have too. "There was a view that 'Well, surely you'd be focusing on your family now, I wonder if we might not need to recruit somebody in alongside you'."

Rowe's learning on this is that you take such statements and assess them for what they are worth in order to have an appropriate discussion and challenge them, for example: 'How would recruiting another person help grow the firm? What are we looking to achieve here?'

Open communication is important to Stephenson Harwood as well. White says there was a time when if a woman went on maternity leave, people would feel quite reluctant to stay in touch or even mention childcare or family issues.

"Over the last few years, people have realised that this is something we need to move away

"The coaching programme included 360-degree feedback, which involved input from our partners and my team. We made an action plan and I have been a work in progress ever since."

Lesley O'Leary, business development director, Travers Smith



"First and foremost, if you are looking at career progression it's got to be about the best individuals, not about reaching a quota. You must ensure that the best individuals are receiving the support they need."

Claire Rowe, CEO, Shoosmiths



Agile technology not only enables better work practice but, it seems, has opened a door for healthy conversations around parenting and wellbeing.

In the past, White continues: "There might have been a rush job with many deadlines and someone might have been tempted not to let someone get involved because they knew that person was on nursery pickups, or a similar duty. Instead, we now say 'We'd really like to get you involved in this. Can we talk about how we can make that work around your other responsibilities?"

"It's a better approach and it enables people to continue to progress their careers."

Grant Thornton's report on women in business found that 35% of respondents listed communication as an important attribute for a good leader – but 42% of women said this compared to 32% of men. When it comes to communication skills, the report suggests that men and women see it differently – and that this is making a big impact on the way businesses with women in leadership are growing and diversifying.

The report said: "Many of those we spoke to, including male leaders, said that men, who tend to dominate company leadership teams, view communication as telling people about decisions that have been made, while women value conversations. For women, good communication is about openness, listening and bringing others into the decision-making process."

As White says, it's important to be having those conversations with people, actively listening to what employees expect from the firm, not only



instilling inspiration.

Rowe at Shoosmiths says: "It's an incredibly competitive sector, coupled with a new generation of employees, a large percentage of whom are actually looking for something slightly different to what I was looking for when I qualified. It's not necessarily partnership that they all aspire to.

"The new generation are far more agileminded, and more prepared to move from firm to firm to get what they want to enhance their experience. They're looking at their own personal development, and firms have to respond to that. Make sure your offering attracts and retains, and make sure you have an 'A-team' behind you."

Target practice

And A-teams are made up of men and women – but are there any other ways should firms go about increasing gender diversity?

White says: "I find that I am still quite torn on the subject of diversity 'targets' or quotas. I would rather our achievements and our women's achievements stand for themselves, as it were, but on the other hand I've been swayed by the fact that this is still taking so long in legal and perhaps could use a push.

"Ultimately, we're never going to promote people who aren't ready to be promoted and who don't show the right qualities. For me, it's better to show encouragement and be supportive of those trying to achieve it."

Rowe agrees: "First and foremost, if you are looking at career progression it's got to be about the best individuals, not about reaching a quota. You must ensure that the best individuals are receiving the support they need. As well as our gender equality workshop we have something called 'Lean In' – set up by one of our associates – which isn't specifically focusing on gender and is open to all who want to develop themselves. We look to inspire others to reach their full potential."

It comes back to management and ensuring that good management is a top priority, says Rowe. "Because if you get that right, then you are genuinely recruiting and developing people based on their merits rather than their gender or their background."

BD director O'Leary says: "Personally, I'm not wedded to targets. It's the stated intention to change and the follow-through that matters to me.

"A few years ago we hired our first CSR and diversity manager. We know change doesn't just happen but it's something the firm is very passionate about and we've seen some great strides in the right direction to level the playing field."

Rowe says another point to make about reaching equality is to review the perception of the senior roles and partnership. "Are we making life difficult for ourselves by the perception that this is only something you can do if you are prepared to work 24/7? And what are the perceived barriers and difficulties that are for some reason deterring women from wanting to put themselves forward?"

O'Leary says that working on attitudes shouldn't just be down to employee programmes at firms – you also have to look at improving yourself. "Every day you need to wake up and decide: 'Today I'm going to be awesome and I'm going to make a difference'. If you are content to wake up average, then, male or female, I don't think legal is the right place to be. It is a challenging and rewarding environment."

Regardless of role, diversity has to permeate through the whole organisation – it's not something that should just be for fee earners. For many firms it's still 'us v them', and the last thing needed is tension around gender split and equal pay.

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BRIEFING PEOPLE

Cultural evolution

Elliott Portnoy, global CEO of Dentons, says polycentric expansion means acceptance of different business cultures – which wins points with both people and clients

Words Richard Brent Photography Matthew Rakola

firm rarely out of the spotlight for long these days is Dentons. If "the world's largest law firm" by headcount isn't in the process of getting more massive

still, its Nextlaw Labs innovation accelerator is announcing yet another technology solution that could offer competitive edge in legal's continual quest for lower cost or greater predictability.

Since the triumph of President Trump – not as long ago as it may feel – Nextlaw Labs has unveiled its ninth global investment (Canadian contractscanning and client collaboration startup Beagle), the firm has launched in Australia and Papua New Guinea through formally combining with Gadens, and opened a second office in Mexico (Monterrey) in a continuing push for Latin American presence. It has also just opened its second Saudia Arabian office in Jeddah – a key Middle East commercial centre, where blending western and Arabic legal capability, it says, is an opportunity other global firms may have overlooked.

"As one of the largest importers of oil from Saudi Arabia, China in particular is looking to undertake outbound transactions to the Middle East," explains global CEO Elliott Portnoy. As of some rather big news back in January 2015, Dentons has China pretty well covered, too.

But if I'm finding the mere surface of all this change quite hard to take in, how exactly does Portnoy manage at the world's mega firm?

"I'd venture that, in some respects, it's easier to accomplish integration objectives when there are multiple parts of the firm going through the harmonisation effort at once," he says.

"That probably sounds a bit counterintuitive – but just imagine doing a significant transaction, spending two years bedding things down to get everyone comfortable, only to start the whole process again.

"Rather than bolt on, we've taken the position

Α

that harmonisation and integration are materially easier when multiple parts of the firm are all learning from one another at the same time – genuinely laying foundations for something new."

He continues: "To be clear, there's no time of the day or night one of our offices isn't open – and that round-the-clock working means some pressure. But excitement also releases a lot of adrenaline, which has also helped us to accomplish what we've done in a very short space of time."

Respecting the individual

Having a business window always open somewhere in the world clearly presents possibilities for any firm. Documents, or even clients themselves, could profitably be forwarded to another office for service before the next day dawns.

But another reason that harmonising Dentons has been so, well, harmonious, says Portnoy, is a careful balancing of verein-style autonomy and the bridging of independent operational models with budding instances of best practice.

The extent to which a verein's various parts care and share has, of course, come under some greater scrutiny since the rapidly-worsening woes of one King & Wood Mallesons in Europe.

Since fusing with China's Dacheng in 2015, much has been made of Dentons' 'polycentric' model as a point of differentiation with other big law firm brands. The question isn't so much one of international cultural compatibility (or indeed, training) as acceptance of difference, says Portnoy.

"We have no headquarters. No flag flies over the firm apart from our beautiful purple one," he laughs. Clearly, the point beneath that is there's no dominant culture. "That's fundamentally different to the pattern of history that has produced every other global law firm," he says.

"Our clients have told us they aren't interested in where a firm is led from. They want a firm that is an elite provider of legal services in the local market. So we only harmonise those parts of the firm that directly touch a client."

In some cases, not even then. "We're not going to tell receptionists what to wear, or dictate how someone answers the phone or takes a memo. We don't want to minimise differences. We celebrate

"Harmonisation and integration are materially easier when multiple parts of the firm are all learning from one another at the same time."

Elliott Portnoy, global CEO, Dentons

the diversity of business cultures – which is also more consistent with how our clients do business."

Indeed, he ventures, it's precisely this attitude to brand behaviours that has allowed the firm to expand at such a rate.

"Rodyk & Davidson [the oldest law firm in Singapore] would never have combined with a global firm that threw it a rulebook. They were attracted to a firm that allowed them to do what they already do, exceedingly well."

He also cites the South African operation's certification to Level One Broad-Based Black Economic Empowerment (B-BBEE). "That's what our clients in South Africa wanted us to be – while in China, they don't want lawyers flown over from London or New York. They just want the best Chinese lawyers in their location."

Communal giving

However, if one part of the firm "has particularly strong capability in something like leadership training or client relationship management, we can roll that out in other parts," he says – which doesn't just benefit clients. By exporting best practice from wherever it surfaces, "parts of the firm don't feel that they've won or lost."

Another example could be the firm's new shared services strategy, recently piloted by the UKMEA and Europe regions in Warsaw, Poland. "Other regions are already looking to replicate the approach in their marketplaces," says Portnoy.

And there are other formal efforts to prevent polycentricity from morphing into disengagement.

"Every week we communicate what we call our 'but-fors'. That's simply insight into new work we wouldn't have won but for the global reach." But he's quick to point out the best route to sharing knowledge is the more informal process of partners forming bonds by collaborating on client matters. Recognising the value of face time, moreover, there's also a global partner meeting scheduled for June. "There's no firm in any jurisdiction that can literally do everything – we know that because we're in those jurisdictions."

Elliott Portnoy, global CEO, Dentons

But, while he presumably devours the weekly dose of but-fors too, how does Portnoy possibly manage to keep in touch with everything the firm is up to – and indeed remain at the front of that?

"The truth is it should never be all about the visibility of the individual leader," he says. "It's much more about the visibility of a team.

"It's my job to ensure we integrate the firm, but in particular that means supporting our regional leaders. They're the ones walking the halls every day, and out at the coalface with clients."

Communication strategy also has to take account of the different cultures the firm wants to retain, he adds. "There needs to be a lot of communication at a time of change, but that has to be coupled with recognition some lawyers aren't on social media. Some lawyers won't even open your emails.

"Yes, it's harder in those markets where common business practice and culture is to sit across a table from people – and harder still when you've grown to 140 offices. We need to keep finding new and different ways of engaging. That's another reason you need a team effort."

In 2016, meanwhile, the firm certainly had no trouble communicating its plan to disrupt the market for referring work on. The Dentons Nextlaw Global Referral Network soon upset other referral networks with its pointed description of them as 'pay to play'. The new Dentons version of the arrangement rigorously stressed it's both free and non-exclusive by region. A panel of the firm's partners assesses applicants, with factors including client feedback on performance. Input from partners of other firms in the network is also factored in, says Portnoy.

"Even the largest law firm in the world can't handle every matter in the world, and it isn't in our clients' interests for us to exaggerate our capabilities," says Portnoy.

"Similarly, there's no firm in any jurisdiction that can literally do everything – we know that because we're in those jurisdictions. It's certainly a competitive threat to other networks, and it's clear



that we struck a nerve. But that isn't why we did it – we did it so we could look clients in the face and genuinely, transparently, help them find the best lawyer for their needs."

Nextlaw steps

Nextlaw Labs, meanwhile, lets lawyers help clients find the best route to a burgeoning new breed of IT capabilities – including artificial intelligence.

"Previously a lot of lawyers were engaging in self-help – they'd turn technologist because a client had a particular need," he says. Now lawyers across the firm can access technologists to help them come up with new ideas.

"Some products will only be used by Dentons and clients, and some may have broader commercial appeal – but we'll also aim not to reinvent the wheel. There are startup companies out there already doing what clients need, so Nextlaw Labs also invests in those companies."

It's not all about AI – but Nextlaw Labs was pretty quick off the mark following the UK's referendum on leaving the EU. By the end of July, it was already dangling a 'robot' application to algorithmically sift contracts for Brexit-relevance.

The inevitable question is: What else might Brexit mean for a firm like Portnoy's?

"It'd be too glib to say change and uncertainty are good for lawyers – but the reality is that clients are looking for someone to navigate them through that environment," he says.

"And I would suggest the rise of more populist political figures, barriers or walls could be a real threat to a global brand all about consistency," whereas a 'polycentric' firm shouldn't have a problem servicing local markets in the same way it always has, he says.

So Dentons will keep building teams deeply rooted in communities, regardless of their politics – and certainly sees no need to withdraw.



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Training tracks Michael Wells, IT trainer at **Fladgate**, reviews the rollout of a new approach to rearing tech-savvier teams



BEST PRACTICE

Training tracks

Michael Wells, IT trainer at Fladgate, reflects on the project management process of improving even basic skills following a firmwide technology training needs analysis



ack in 2015 Fladgate identified a need to increase IT competence among fee earners and business support services.

The variation of IT proficiency across the firm was impacting the quality of support offered to clients – internal and external – but especially in the context of an international client base that requires documents to be produced and shared outside normal UK working hours. In addition, we had introduced a new flexible working policy, giving staff the option of working from home. We needed to ensure they were IT competent so that working from home wouldn't have a negative impact on others in the office. And we found some younger fee earners, who had developed excellent IT skills at university, were losing these in the workplace (perhaps even adopting some behaviours felt to be counter-productive).

The solution settled on was a new learning programme, not only to improve standards, but also to measure and demonstrate that improvement - and we selected learning plans developed by the non-profit Legal Technologies Core **Competencies Certification** Coalition (LTC4). In a nutshell, the plans provide a baseline level of IT skills for lawyers and business services employees, so they can make more document changes themselves. Through quicker turnaround of documents and correspondence we can reduce pressure on support teams, and enable lawyers to focus on improving client service. In some cases they could consolidate client relationships, as well as share documents and be adept enough at IT to respond to more client requests immediately.

Preparing the ground

As with any significant process change, we had to obtain buy-in from a number of stakeholders, including senior management, secretaries and document centre operators (who would need to encourage the fee earners) – plus, of course, the fee earners themselves.

Each group had different objectives. For management, the aims were to improve service and reduce cost. Secretaries wanted to manage workloads more effectively. Fee earners wanted to better support clients, even under tight deadlines. A key part of this stage of the project Through quicker turnaround of documents and correspondence we can reduce pressure on support teams, and enable lawyers to focus on improving client service.



was therefore to meet stakeholders, and explain how a new training regime supported the achievement of their specific objective.

After selecting the LTC4 approach, we also conducted a training needs analysis (TNA). We designed a questionnaire on people's perception of their software competence (including Word, document creation, customised documents and templates, Filesite, Outlook, time recording, research tools and Adobe). This was followed by one-to-one feedback interviews, which also used the opportunity to test some lawyers' current practical knowledge. But the aim at each session was to proactively engage with users, gaining a greater understanding of needs while providing tailored support that answered queries and demonstrated simple, immediate ways of improving.

The TNA gave an overall picture of competence. This reflected the initial assumption that there was a broad mix of abilities. But it also indicated there was a wide range of views on the very value of IT training for lawyers. For example, some were dependent on dictation – and very resistant to changing that approach. Others were almost completely self-sufficient.

So another principal goal was to focus on areas that were useful to both lawyers and support staff. We didn't want a traditional learning programme that focused on a single product such as Word or Outlook, as many capabilities would be irrelevant to the day-to-day work of lawyers. The certification programme mirrored the goals of the TNA, focusing on activities that lawyers undertake on a daily basis. The training (provided by Capensys) can also be tied to real business and user goals. It is process- rather than applicationdriven. Rather than fixed classroom sessions, people could also learn when and where they wished, and this helped with buv-in.

Customise call

The next stage was to assemble a cross-firm project team. I led the initiative, but was supported by other representatives from IT and HR and key partners. Our provider and the key stakeholder groups had a meeting to answer questions and provide practical support for the project team to win full backing.

We then decided to release learning plans that corresponded with the TNA findings. 'Working with legal documents,' for example, was identified as most appropriate for the launch.

Meanwhile, a pilot team had responsibility for reviewing the training provider's online tutorials and assessments across core competencies. One outcome was identification of areas needing customisation to ensure the system was within an IT framework that replicated the 'live' environment of the firm. The provider made some



Training gains – Fladgate found:

• More interest in IT training and discussion about IT software, and the benefits (or downsides) of particular ways of working.

• More interest in self-learning – using e-learning content as reminders rather than ringing the helpdesk – and requests for tailored training focused on a specific department's needs.

• Contrary to expectation, tutorials and assessments are undertaken at all times of the day and night. People are really using the flexibility to train when it suits them.

• A reduction in basic amendment requests, allowing secretaries and others to focus on major document production.

• And one to watch out for – some individuals are growing overenthusiastic and starting to prepare documents without knowledge of Word template basics. Specialists then have to 'undo' what has gone wrong. We're actively reminding everyone when they should still pass things to the document experts.

changes. We also added a 'learning in action' tool, allowing for different methods of completing tasks. We wanted to ensure a user's experience of content felt like the firm's general IT set-up, with the familiar customised toolbar ribbon. The pilot group then had one more review before launch.

Launch parties

Past experience showed a successful launch and ongoing promotion would be critical. We decided to launch the system via a series of meetings (co-hosted by the HR director and me).

Our presentation focused on how an enhanced skillset would benefit career progression, and how we intended to link this to annual appraisasl (therefore also appealing to self-interest). As further incentives, we explained that lawyers could obtain CPD points, and that successful completion would be essential for anyone wanting to take advantage of working remotely.

From a practical point of view, we also provided an introduction to the system and outlined what staff could expect over the coming months. Feedback was mixed, as expected. The response from secretarial and other support teams was especially enthusiastic recognising that certification was a way of gaining recognition of their skills. Some fee earners were more reluctant, while others were extremely sceptical. As part of managing this, we made it clear we were only expecting fee earners to undertake extra work on documents or emails where they could make amendments quickly and effectively (as we specifically stated, 'where it's quicker to do it vourself rather than ask someone else to do it'). Support teams would still be responsible for extensive document production.

The programme's rollout involved LTC4 certification 'events' every six weeks. The first three weeks of each period were for online study (a session took just 25 minutes). The following three saw a series of assessments in the IT training room, where assistance was also available.

We encouraged some partners to complete the training and assessment very quickly. These could then be 'champions' for others. After six weeks we were pleased to see that around half our lawyers had been assessed on the first phase. The second phase was released in the same way. Smaller tactics to encourage completion included offering a free sandwich lunch, Easter eggs and the option of one-to-one support for people finding tutorials more difficult.

We had invaluable support from the partnership board, who led by example. They completed the training themselves, and put pressure on other partners. All the firm's people have now undertaken at least some of the assessments. They are also integrated into induction processes.

All business teams passed the first phase of the learning plan – and although many found it fairly basic, most agreed they'd taken something away. Out of 250 people, 200 have now been assessed as competent, and we're now on the verge of going live with the second learning plan: 'Managing documents and emails'. Meanwhile, initial planning has begun for one on security later in 2017.

We continue to analyse key statistics, such as the number and type of calls made to our helpdesk and document centre, and the speed of document production, to ensure we can demonstrate the programme's value to the firm.





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Learning to leverage

Neil Araujo, CEO at iManage, says machine-learning algorithms are creating both more secure legal workflows and better business collaboration across the board

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elivering effective legal services to clients relies heavily on successful collaboration. Businesses thrive on it and it's important that it exists in many places, even between a firm and a vendor

that provides digital collaborative capability.

iManage knows this well - priding itself on "building products from the ground up," says CEO Neil Araujo.

In search of smarter working

iManage Work 10 - a complete makeover of its flagship product - focuses on document and email management, is in the cloud and is designed to work across all mobile devices.

However, says Araujo, thanks to law firm input, it now looks and acts a lot more like Amazon or LinkedIn than a traditional enterprise application.

"We've taken the building blocks from the consumer market and brought them into the professional services market to try to deliver a substantial lift in service level," he explains.

"And for the first time we've included certain machine learning algorithms, which will enable even smarter working. For example, the system can track and 'understand' matters and clients worked on and make updates one click away.

"We've been able to leverage the analytic powers of businesses like Google, Netflix and Twitter and fed them into our system to create a similar user experience for law firms. For example, if you were to search the term 'McDonalds', a business like Google can work out where you are and give you better information based on past behaviours or current activities.

"Search functions have always been a big challenge for firms, because they create and hold vast amounts of information. A more personalised search function can make work more productive," he explains.

IT systems must be supportive of productivity and empowering in many ways. Another vital

For more information, visit: www.imanage.com

aspect is iManage's "global mobility" approach, he says, which assumes you're working on a network that may lose connectivity.

"If the internet connection breaks, the application behaves so that fee earners can still access things that they've just worked on.

"The back end architecture also means we can have zero maintenance windows. We can upgrade the system as the user works – creating more efficiencies and less worry for firms."

Know it all?

More sophisticated filtering of information for relevance to the individual can also support the collaboration needed in a discipline like global project management. Having fewer unnecessary updates saves time – and with iManage Security Policy Manager firms can manage workflow on a need-to-know basis without compromising productivity.

"Project managers or the team leader can add or remove people from a matter. That way you only see things you have to see and the manager ia notified about the activity. If there is a matter that you're not a part of, you won't see it – you won't even know it exists. It gives you the flexibility to work with what you need rather than a one-sizefits-all.

"Critically, it also reduces the risk of a breach by restricting access. If a weak link is the user's credentials being compromised, it's imperative that firms move to a model where every user can't automatically see everything."

Firms' clients are also demanding segregation of data, he says, so that only those who are servicing them can have access to their documents. "This greatly limits the potential exposure in the event of a breach, which one has to assume as inevitable today."

Security, of course, remains a key business

"If a weak link is the user's credentials being compromised, it's imperative that firms move to a model where every user can't automatically see everything."

challenge in many ways. Phishing attacks are commonplace, and systems need to be able to identify whether you have been compromised, and then limit exposure in the event that any users' credentials are compromised.

"A robber today doesn't go after the wallet – they go after the person's identity to get to the money. You also need to be able to detect the thief who's already in the house, but well hidden," warns Araujo.

Another iManage tool, iManage Threat Manager, keeps watch on activity in the document management and other relevant systems and uses machine learning to detect unusual behaviour.

"If someone is doing something they don't normally do, we flag it. It could be someone using your ID where it shouldn't be used, or trying to access or download restricted files. It can detect those kinds of abnormal behaviours and report it up," he says.

Safety in numbers

"We've been developing these products alongside a set of our closest customers. The need for this wasn't invented by us – it was identified by meeting the fee earners delivering legal services to understand their biggest problems."

"Meanwhile, clients are also putting a lot of pressure on firms to manage their relationships, not only from an economic perspective, but also on a purely personal level.

"If you can automate processes, improve workflows and give the client a direct view into the pipeline to see which documents are ready, it really makes the difference."

Insightful, data-driven collaboration is key – to internal efficiency, client relationships and even the creation of new legal technology that might help to improve collaboration in future. There's even room for the machines to get involved.

INDUSTRY ANALYSIS

Human touchpoints

James Hammond, product manager for human capital management at LexisNexis Enterprise Solutions, says underpinning strategic succession planning with new technology could lend competitive advantage





he UK legal sector today must perform and flourish in an already volatile global economic environment, intensified by the

uncertainty of Brexit. Against this scenario, while partners who are expected to retire in the next few years dominate many firms today, those firms may still have no formal succession plans in place. This potentially puts the future wellbeing of the firms at risk. In the meantime, it overburdens HR departments trying to support recruitment drives and career development plans.

And succession planning doesn't just apply to law firm leaders – it's an important exercise to follow for incentivising junior partners and up-and-coming lawyers alike. To survive, thrive and increase market share, many firms are resorting to mergers and acquisitions. In doing so, they acquire staff from the merging organisation – and unless there's a clear future career plan for every one of the incoming employees, the merged entity risks losing both talent and clients.

Thinking inside the box

Succession planning is all about ensuring that the right skills are in place, at the right time, such that the business remains on course, continuously meeting objectives. A long-term approach to talent management is needed at all levels. For partners and business leaders it may be leadership skills development. For more junior lawyers it could be client relationship development capabilities.

In the current environment, however – where HR departments need to be agile and reactive to the fast-changing resourcing needs of their firms – manually undertaking succession planning is getting harder. By contrast, technology such as enterprise resource planning (ERP) systems can enable the continuity of such programmes, ensuring that firms appropriately manage their 'rising stars' and plan leadership succession in a structured, timely and centralised fashion, often across offices in multiple countries.

For example, the HR department might decide to turn to McKinsey's nine-box talent matrix, which is widely used by organisations around the world. Here the business identifies talent by plotting employees' leadership performance (X-axis) against their potential (Y-axis) in a simple graph (p35).

There are nine boxes to which individuals could be assigned, based on assessment of performance. Partners could be categorised as underachievers, inconsistent performers, core talent, high performers with limited potential, or exceptional performers – those with the potential for business leadership roles. Similar grids can be created for junior lawyers and other operational employees.

This single view of the aptitude, skills, performance and potential of employees is essential to aligning the





McKinsey's nine-box talent matrix



Source: LexisNexis Enterprise Solutions bases its graphical overview in LexisOne on the McKinsey talent matrix.

d weaknesses of the workforce collectively, as well as individually. Graphic tools offer an accurate view of the overall skills gap, based on which HR professionals may take appropriate action.

HR data visualisation can also benefit from the analytics provided by ERP systems, enabling managers to link employee compensation to actual business results. Reward models can be made commensurate with the performances of individuals, which of course is also efficient for the business – rewarding top performers to retain them and avoiding overpaying underachievers.

Enterprising activities

Learning and talent development activities are another key component of succession planning. But with the right technology, employees can be empowered to take responsibility for their own development needs.

Take the SRA's Continuing Competence programme. ERP systems provide the capability to offer every employee their own interface – a portal where they can record all the activities they undertake against the programme. Based on role, the portal offers a single view of professional, business and training goals to form personal development plans.

This kind of self-service tool encourages employees to proactively manage their own skills profile. At the same time, it gives the HR department full visibility of those efforts (which may feed through into the nine box matrix). Not only that – the system delivers all manner of holistic employee insight to the HR department, pulling data from the portal to deliver customised views of information pertaining to recruitment, retention, skills-gap analysis, leave and absence analysis, flexible working, probation, extension, disciplinary actions, family leave, grievances and so on. Technology ensures that talent management and succession planning becomes routine in the organisation. For the individuals, it starts from the very first day they're recruited into the firm.

System automation also relieves HR of some administrative tasks. For example, by integrating the ERP system with third-party recruitment systems to export employee-related information directly into the employee portal, all information pertaining to identity checks, qualifications, pay and so on is automatically recorded in the portal from day one.

Succession planning always needs to be a key focus area for firms, but especially so in the current business environment. Strong staff retention is just one route to safeguarding the firm's future. A planned approach allows the firm to identify – and promote – new business leaders to drive the firm forward, while also optimally leveraging the skills and expertise of existing partners.

And most crucially, in a business model where client relationships are the most precious intangible assets, a more automated approach to HR management ensures a smooth and phased handover and continuity of client care, whether lawyers are moving to new positions or making an exit – dramatic or otherwise. INDUSTRY ANALYSIS

Merger mania returns?

With increased competition, pressure to lower fees and economic uncertainty, Andrea Delay, head of professional services at Barclays, explores the potential in a trend towards firm consolidation and mergers

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he re-emergence of the legal community's 'mega merger' – in the form of the three-way tie-up between CMS, Nabarro and Olswang – has

served to refocus attention on consolidation in a competitive sector facing downward pressure on fee income.

But in reality, in spite of these occasional unions, the legal landscape has not changed too dramatically over the past decade – notwithstanding the arrival in England and Wales of the newcomer alternative business structures (ABSs) following the Legal Services Act of 2007.

However, anecdotal evidence suggests many firms across the sector are currently involved in merger discussions.

Driving forces

As Brexit and other political and economic changes in the US and Europe unfold over the coming months and years, 'uncertainty' remains the watchword. This has made it very difficult for a number of firms to forecast and budget. But for the fleet of foot, opportunity may knock.

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Many larger firms are looking either to expand their existing international reach or to build out an overseas presence, and will turn a merger to their advantage. This stems from the need to better service clients – where the trend (as demonstrated by this bank's own procurement of legal services), is to achieve greater efficiency and focus on improving relationships.

In this context, a merger can help a firm to



maintain its position. Not only does it remove one competitor, it can also provide economies of scale. Perhaps most importantly, however, it facilitates the filling of any gaps in geographic reach or types of service.

Words of warning

The obvious caveat to all this is that mergers are complex, time-consuming and expensive undertakings, not all of which are successful. Meanwhile, many opportunities that could be considered low-hanging fruit in the current landscape have already been taken, which leaves some of the more challenging options.

If they do stay the course, it's likely there will be a duplication of property (a long lease held by one firm may even sink a deal) – and also of personnel. There will also be systems and processes to integrate, along with client management.

So although an immediate post-merger increase in fee income is only to be expected, it's unlikely that there will be a commensurate rise in the firm's profit. In the UK legal sector, PwC's annual law firms survey in 2016 finds that fee income per chargeable hour has decreased 4% on average in the top 51-100 band.

UK margins were down by up to 1.4% across the top 100. Deteriorating net profit margins have, according to PwC, "been driven by higher staff costs, either as a result of increased headcount or increases to base salaries." This is against a backdrop of lower than average utilisation, increasing margin pressure and an aggressive 'more for less' mentality on the part of the client – none of which are going away any time soon.

New money arrives

It may not be coincidence then, that as the price of re-energising a firm post-merger becomes clearer, some £500m of external investment – mostly private equity – has been injected into the sector. In 2015 Gateley became the first UK practice to go public, raising more than £30m as it listed on the London Stock Exchange's Alternative Investment Market (AIM). That said, although there's increasing appetite for private equity firms to invest in the legal sector, I believe IPOs will remain few and far between. It's rare there's a need for such large sums to be raised, even when investing to grow and compete.

Partnering for success

The bank's role in the legal sector is built on relationships, mutual trust and understanding. Service provision ranges from everyday transaction banking and funding of partner capital, working capital lines and fixed asset spends, to both a business advisory and funding capability through the merger process. As law firm mergers are cashless, the funding typically covers the realisation of synergies between the two firms.

The UK banking market is competitive for partner capital and working capital funding. Incoming private equity money is all about putting in equity – whereas banking is a debt play. However, PE investment will change the structure of the law firm – and we, as banks, will need to adapt and review our debt offering on a case-bycase basis. We will work to understand the strategy and drivers of the investor and how the firm will take this forward.

Responding to change

I believe cost pressures are set to continue as clients seek greater savings and the general economy remains fragile. There will also be further commoditisation of certain services such as conveyancing and will writing, as technology comes to the fore.

Further market consolidation is a likely response. As this gathers pace, the gap between the progressive and the resolutely traditional firm will widen, and success may well hinge on the wise selection of bedfellows.

Many larger firms are looking either to expand their existing international reach or to build out an overseas presence, and will turn a merger to their advantage.

OUT OF OFFICE

Knowing the score

Mark Ford, global chief knowledge officer at Baker McKenzie, successfully conducts a life in music and legal business



home and relax.

The biggest challenge is to keep up the energy to inspire the others after that long day at the office. If I'm flagging even a little bit, it's pretty hopeless. The choir members are all tired as well - and the conductor is the one to fire everyone up. I try to focus on the job and stay energetic.

But then there's always a moment in the performance where I remember why I do it. For me, that's the thrill of the performance. You may go into it a bit scared, thinking that you need more rehearsal time, or perhaps you haven't prepared the group as well as you'd like to - but when it all comes together, and you see that everyone knows what they're doing, it's a wonderful experience.

There are a couple of pieces that are big and expensive I'd like to perform and I'd love to do more movie soundtrack recording sessions. You can hear some of our work in trailers for King Kong and Spider-Man 3. It's always great being in a studio like Abbey Road, which has so much history – it's good to be a part of that community.

I've been lucky to achieve a lot of what I'd like to do musically, as well as hitting a few high notes performing a demanding role in legal business.

As told to Kayli Olson

first got involved in conduct-I

ing when I was at college in Cambridge – I was an organ scholar. Part of that role was to train

and conduct the choir. I suppose that's where I really cut my teeth as a conductor.

I enjoyed singing in the University Chamber Choir and conducting the College Choir - and it was certainly more sociable than playing the organ, which you often do alone in a cold, dark church in the middle of the night.

When I came down to London to go to law school I started singing in a couple of choirs, but ultimately I missed conducting. That inspired me to start my own choir.

There are quite a lot of parallels between leading a choir and leading a team at a law firm. It's genuinely a leadership dynamic - you have to have a vision, communicate it well and inspire others to achieve it.

A particular challenge with my choir is that they're semi-professional - they don't get paid to do it. You have to add some value and inspire people to put in the hours and want to participate.

I've certainly learnt a lot about communication and leadership from watching other conductors, too - both the good and the bad. You see people who inspire you, either to be like them or to be nothing like them at all!

There's a choral conductor called Tim Brown who conducted the University Chamber Choir I sang in he was really very inspirational for me.

As my career has changed and developed, my relationship between work and music has changed as well. When I was a junior lawyer and had less control over what I did, it was about meeting client demands when needed. Sometimes I would have a long day in the office, go to rehearsal and then go back to the office at 10pm.

Now I have a different set of challenges, but I also have more flexibility. I can usually guarantee that if I need to leave the office for an unusual rehearsal schedule, I can catch up with work later without infringing on either passion.

There are times when we're preparing for a concert and I think "Gosh, why do I do this?" We usually rehearse in the evenings for a few hours, after I've done a full day's work - which is sometimes stressful - and at the end of the day you just want to go

The biggest challenge is to keep up the energy to inspire the others after that long day at the office. If I'm flagging even a little bit, it's pretty hopeless.

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