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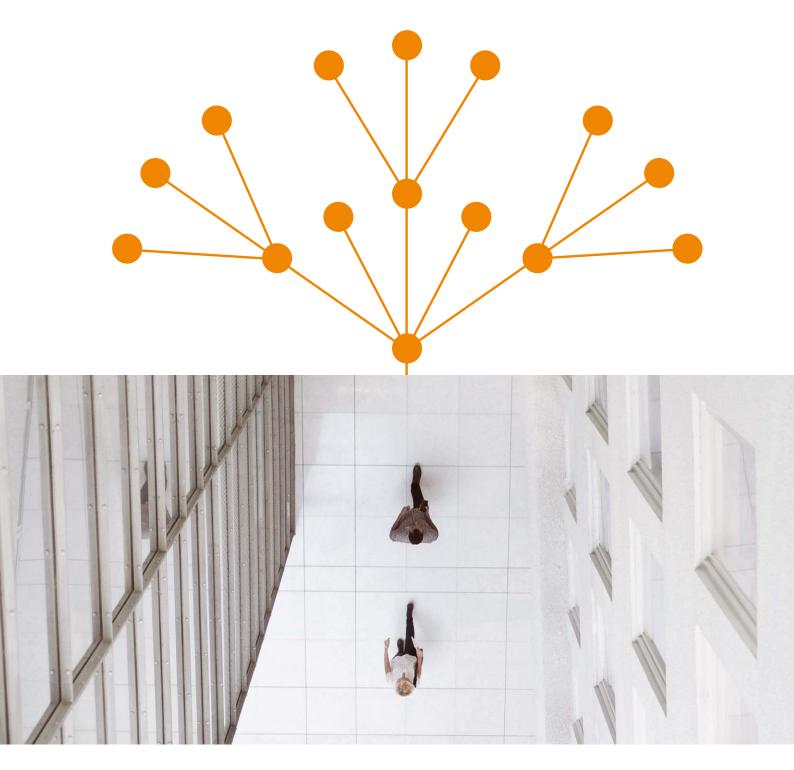
Push for 2020

Rod Harrington, chief operating officer at Norton Rose Fulbright, on the many moving parts of an ambitious business transformation

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Who we are...

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This month's interviews

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Editor's letter



Т

his year's law firm survey from PwC reports muted UK revenue growth, flat PEP, and a combo of clients, competition and wage inflation all piling more pressure onto pricing. The path to Brexit still seems to be passing through fairly uncertain terrain, but

there must be more than that going on here. There is - although investment is an issue. Firms are failing to make the most of IT's potential, relying on the "commonplace" instead of going for "cutting-edge," as PwC puts it.

One business that certainly can't be accused of commonplace tech decisions is our big interview subject this issue, Norton Rose Fulbright (p12). The firm's choice of SAP to meet its multigeography practice management needs has prompted plenty of

One business that can't be accused of commonplace tech decisions is Norton

Rose Fulbright

debate, but only a small handful of other large law firms have ventured down this road before.

At the same time, the firm's shiny new hub in Newcastle will focus on finding routes to process improvement with the help of other technologies, including analytics and probably no suprise - some exploration of AI. It's worth noting here that one criticism of the

status quo from PwC partner David Snell is that "firms need to be more agile in embracing emerging technologies such as AI, which will ultimately help them achieve more effective staffing levels and react faster to changing client demands."

Also highlighted in the report are 'the three Ps' – profitability (down for half of firms), performance (a continuing shift toward tying it to reward) and people (talent, as ever, a top investment priority). Readers will know Briefing has its own 5P theory of things – see our write-up of the 2017 5P conference (p18). But I'm sure we can all agree technology that empowers people to perform more productively and proactively is pretty pivotal. A few more Ps for you there ...

Finally, in a month where the historic gender power gap has found its way right to the top of the international news agenda, the PwC report notes a majority of firms have taken no action on the new legislation surrounding pay gap reporting. And for all the targets and talk of inclusion, the proportion of female partners at top firms still languishes below 20%.

In several respects then, legal business surely needs to make every effort to do better.

RICHARD BRENT EDITOR

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Inside this month





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

Tech and balance



acklustre investment in the latest efficiency-enhancing technologies is the headline theme in this year's law firms survey from the advisory group at **PwC** – and something that could get the blame for firms' average fee income growth of just 3%.

Partner David Snell said in a press release: "At the moment, the focus seems to be on updating or replacing old systems. Firms need to be more agile in embracing technologies such as artificial intelligence, which will help them achieve more effective staffing levels and react faster to changing client demands.

"It's advances such as these that will help set them apart from their competitors in an increasingly competitive marketplace. This will require significant investment and firms need to think carefully about how this will be funded."

Although 70% of firms are already using client

11%

of firms are utilising the opportunities of predictive analytics and big data in 2017, according to PwC

collaboration tools – and 40% have mobile apps – a mere 11% are harnessing the power of predictive analytics and that most dreaded of buzzwords 'big data'. Meanwhile, spare capacity – one of last year's main findings – is still causing firms profitability problems. An AI or two might just have something to say about that ...

Still, some firms are taking steps toward an even more tech-focused future. Fresh from being named best new business and service delivery model at the **FT** Innovative Lawyers Awards Europe 2017, **Fieldfisher**'s Condor alternative legal services platform is expanding to South Africa in a new partnership with **Cognia Law**. Condor's core focus on large-scale documentation delivery and commercial documentation negotiation outsourcing is complemented by technology-assisted solutions, including contract

automation, data analytics and – oh yes – AI.

Condor CEO Chris Georgiou described Cognia as a "like-minded client-focused innovative services provider."

"The client benefits were evident in the first projects Condor worked on, encompassing the regulatory-driven EMIR variation margin repapering exercise, and we have now been able to extend that to work on MIFID II implementation, GDPR, Brexit-related solutions, commercial contract management solutions and KYC/AML."

Janet Taylor-Hall, Cognia CEO, added: "Clients have long been asking for an integrated solution that offers the benefits of a leading law firm and the efficiencies of an alternative legal service provider."

Of course, there are other ways to improve fitness to compete in more automated, uncertain times – such as pulling off a massive merger. The latest pairing to confirm discussions are **Berwin Leighton Paisner** and **Bryan Cave**. Subject to any conflict issues being resolved and partner approval, this tie-up would make a 32-office, 1500-lawyer firm, with integrated capabilities including "the world's leading real estate and hospitality sector business," the firms say.

Bryan Cave chair Therese Pritchard said: "Our firm would be one of only a handful of global firms operating in a one-firm structure, with more than 500 lawyers in both the US and also internationally.

"We will seamlessly provide counsel to clients across the globe, deliver client service at a new level and use technology and innovation to redefine efficiency in the practice of law."

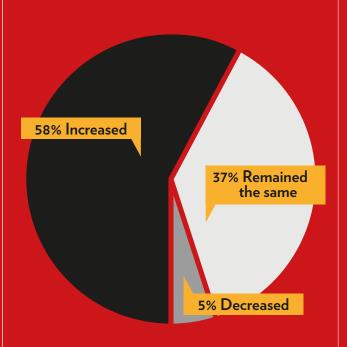
"The focus seems to be on updating or replacing old systems. Firms need to be more agile in embracing technologies such as artificial intelligence, which will help them achieve more effective staffing levels and react faster."

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Litigation states

Reported use of litigation finance is higher in the UK (41%) than in Australia (40%) or the US (32%). But respondents across all regions report growth in the funding in the last two years, finds a new survey from Burford Capital

Over the past two years, has your firm's use of litigation finance services increased, decreased or stayed the same?



UK SNAPSHOT

of UK in-house and law firm respondents report growth in litigation finance in the last two years, (compared to 59% overall)

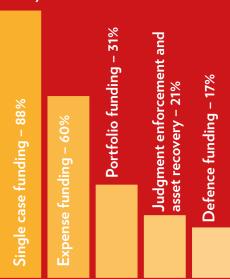
54%

of UK lawyers that haven't used it yet expect to do so within two years

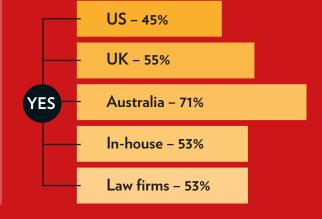
67%

of UK businesses are most likely to agree that the more law firms innovate with financing, the more "nimble" they can be in serving clients

What types of litigation finance does your firm use?



Do you agree litigation finance is a tool firms can use to 'sell' clients on funded litigation – and give women and other underrepresented groups a route to level the playing field?



Source: Burford Capital, 2017 Litigation finance survey, conducted by ALM Intelligence

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All change! Ahead of **Briefing** Transformation 2017, Steve Naybour, head of transformation at Network Rail, demonstrates how another sector helps people to embrace improvement initiatives

What does innovation mean to you, and what does it look like in your industry?

Innovation is any new A technique or improvement that enables you to reach your objective quicker. However, I think having enough time is a key factor for innovation. This can involve implementing new processes and technology for transformational change, as well as continual improvement of existing techniques. In the rail industry, our challenge is to improve capacity, customer service and our commercial processes. We must embrace new technology, but this also must be done while developing existing techniques. An example of this is our movement toward having a digital railway, an innovation that allows us to move to a more 'metro-like' system. And we have to improve our safety records as we continue to upgrade and innovate.

What's the largest project you've overseen?

During my previous role at London Underground I lead a project to change the infrastructure that's used across the system to enable a step change in the speed of replacement and upgrade. The

focus was to change the very building blocks of the railway – which is made up of many parts, such as the types of sleeper cars, range of transport for engineering products, types of welding technology, and so on. This project lead to a productivity increase of 40%.

Is there a communication initiative or channel you've found works best, and why?

Videos are a great form of communication. A clear, targeted and focused video can have a significant impact on business. But you have to get it right. There are different levels of successful videos, but an engaging video, which is three minutes or fewer - and gets the message across using images, data, feeling and facts - is good. And if you can capture the employees impacted by the change then it's even better. However, if you do all of this, and then also get the customer involved as the crux or focus of the story, it will be the most compelling outcome for viewers and provide the best outcome for the goal of the video.

Where do you look for inspiration as to how Network Rail needs to change?

Before I started in my current role I worked as the chair for the Apple user group in London. This started my close connection with the technology industry, where there is a lot of work going on to manage and control change. Companies like Facebook, for example, update their software with changes every four hours, and then measure the effect. This is the approach we should take toward change, and we also need to respond to this challenge in the wider world.

What are your top tips for managing change – and getting others to follow?

First, set a clear objective. Define that objective why do you want this change? What good will it bring to the business, and how will that be measured? Next, get a strategy in place, but keep it simple. If you don't have a straightforward vision and signpost it clearly, it will most likely fail - or worse, you could be creating challenges along the way that will decrease morale and hurt your productivity. Finally, try to get a team engaged in defining the tactics. Get them to voice their opinions and the rest will fall into place.

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SPEAK UP

Understand the influence

Stephen Allen, global head of legal services delivery at Hogan Lovells, says today's global law firm needs firm-wide leadership, local insight and a dose of neuroscience ... but not necessarily always in that order



e find ourselves in a world, increasingly, operating without borders. Commerce sans frontieres.

Companies, particularly those listed, are under pressure to find new revenue lines and look to new markets in which to sell goods or services. New territories are sought, with a growing disconnect between where a business is domiciled and its major markets.

Law firms too have had to expand into these markets to ensure that they're able to service their clients wherever they do business. And this growth has had to be rapid, through acquisition of firms, teams or individuals that did not train at the firm and who will have different ways of working. Add to that the demands and customs of local markets – and increasingly management of a global firm becomes a balance between consistency of service at a global level and locally focused expertise.

There are two challenges here. First, what do global clients want, and where should the delivery of that originate – at a personal, local, or global dynamic? Second, how do we drive change to better align ourselves to deliver this?

The Acritas Sharplegal survey into what global clients want from their global elite law firms identifies the following eight 'asks':

- Expertise
- Service

- Relationship
- Business savoir faire
- Value pricing
- Style
- Geography
- Reputation.

But where that focus ought to be 'owned' varies in clients' views – at the individual relationship level, by local management, or globally.

If we then think about driving change not as a one-off, but as an integral part of the operating model of global firms, we can't rely on the traditional top-down or bottom-up approaches. We need to look away from 'comms strategies' and telling people of the need to change – and instead look to the work of leading neuroscientists about how we can influence change. I have read, and continue to read, books by the likes of Jan Hills, Dr Steve Peters, Thaler and Sunstein. I am sure you have too. I'm going to ask **Briefing** to create an online book club/library corner – so we can share such books and discuss what works well and what doesn't.

One lesson from me is this: If you want to drive change in a global law firm, you need to have a very clear course set by the firm leadership, but allow the detail to be worked out at a local level. To do this, partners will need support, and so I don't think there has been a more interesting time to be a business support professional in law.



Ads value

William Robins, operations director at Keystone Law, says remember to ask the right questions of your organisation's goals before using an advertising campaign to target new team talent



alf the money I spend on advertising is wasted; the trouble is I don't know which half. So said John Wanamaker, founder of Macy's department stores. That was over 100 years ago, but this remains the biggest challenge for advertisers today, even though technology can go a long way to cracking the nut.

Keystone's #QuitTheCircus campaign is a recruitment campaign that looks to engage with potential lateral hires, and includes a series of LinkedIn and other social media adverts that display to pre-selected types of viewer. The campaign features a series of vintage pictures of circus performers, with captions playing on a link between that image and an aspect of the status quo in many law firms. For example – we have the image of a clown, accompanied by the caption "Sick of putting on a show?" and an image of the traditional trapeze artist that reads: "High flyer? It's time to be rewarded."

Here are some of the key points we considered:

Take a good look at yourself

Not everything is suitable for advertising. To run an effective advertising campaign, you first need to ask: What am I selling? Who am I selling it to? What would be likely to drive the viewer to the call to action? These simple rules are often ignored. Advertising is expensive, but our experience is that it will certainly raise awareness of a brand – if it's done right.

Hitting your targets

Once you have a proposition suitable for

advertising, you need to get it in front of your target audience at the right time. This is without doubt the trickiest part. But with so much data out there, you can really target advertising. LinkedIn, for example, is a very useful place to advertise for talent, and once you know your target market, their systems make it a breeze.

A numbers game

You should never embark on an advertising campaign unless you will be able to tell whether it's working. Indeed, ideally you should be able to tell which specific adverts are working. With the #QuitTheCircus campaign we have already seen that some wording drives higher levels of engagement than others and we adjusted ads accordingly. As a result, in recent weeks we have gained 790 engagements, over 30,000 impressions, and received 24 applications from lawyers who met the criteria we set out to reach.

In-house or agency?

Advertising can be expensive and difficult. To get it right you need access to all the right skills – graphic design, digital marketing and real world experience of advertising. The #QuitTheCircus campaign was created, and has been run in-house here, by our marketing director Kristina Oliver, who had previous digital advertising experience (with Odeon and Thomas Cook). But if your in-house team doesn't have this experience, never fear, there are many good agencies out there who can help. If this piece has struck a chord, it's time to give one of them a call.



Ranting business managers are bad for overall office productivity, according to a new international study – although bizarrely, such bosses may themselves derive a benefit from their actions.

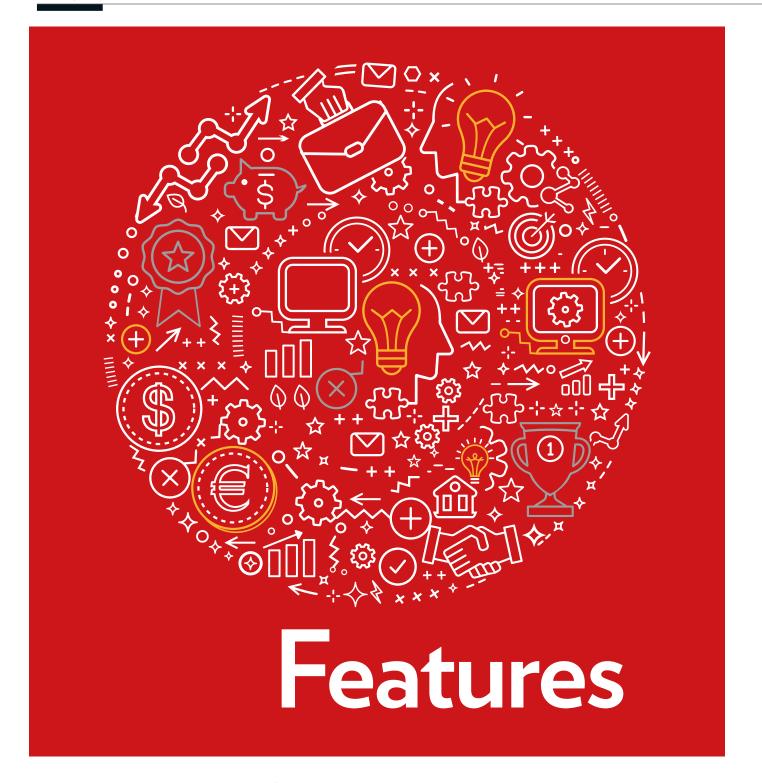
Russell Johnson, associate

professor of management at Michigan State University in the US, said "abusive" supervisors "save" mental energy by not suppressing their instincts. But these gains typically last less than a week, after which critical

employee engagement wanes.

"The moral of the story is that although abuse may be helpful and even mentally restorative for supervisors in the short-term, over the long haul it will come back to haunt them," said Johnson.

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The big interview

Rod Harrington, chief operating officer for Europe, Middle East and Asia at

Norton Rose Fulbright,

on why it's time to transform

The main event

The **Briefing** 5P conference 2017 heard law firms need to pay even closer attention to their pricing, process and people - and clients

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Change happenings

Transformation doesn't come much harder and faster than at Norton Rose Fulbright, in time for 2020. Chief operating officer for Europe, Middle East and Asia, Rod Harrington, talks to Richard Brent about the SAP thing, changing the dials of profitability, new business opportunities, agile working and the call of Newcastle

n response to my classic closing question – 'What most marks your firm out as different in the legal market?' – part one of Rod Harrington's answer probably won't cause many eyebrows in legal business management to exert themselves. "There's a very real desire here to be the very best firm that we can be," says the Norton Rose chief operating officer for Europe, the Middle East and Asia.

But then, a curve ball that nearly knocks over my cup of coffee. "What I mean by that is there's a certain cultural openness to change – and I have to say, that's really quite refreshing to see."

I fear my expression may have betrayed me, as he quickly adds: "That perhaps isn't quite as surprising as it might be in a large law firm ordinarily. Norton Rose Fulbright has experienced a lot of change in recent times."

And he's not wrong. Global chief executive Peter Martyr may have just won a sixth successive three-year term at the helm. But the 2020 strategy Harrington's helping to steer through is full to bursting with a blend of new ideas for business improvement. This is no time – and there is no time – for traditional small-c conservatism. Pick a trend or topic that **Briefing** has identified as one of the ones to watch over the past couple of years, and you're likely to find that Harrington has it on his desk somewhere.

Too much information?

To take one modest example, when we meet the firm is just weeks away from going live with one of the biggest legal technology stories in years, its enormous investment in enterprise resource planning (ERP) software from SAP.

Willingness to change is one thing, but this is very close to uncharted territory. "A couple of other large law firms also have SAP, but the version we have is specifically tailored to law firms – as opposed to for professional services more



generally – and it has also been enhanced in recent years. So, we're getting the latest, and arguably the greatest, of the ERP systems out there."

But although that "should give competitive advantage," he says the opportunity is as much about how putting in that technology necessitates new ways of working for the business.

"Success won't come overnight, and we'll need to realise the benefits in terms of how everyone at the firm treats information and we manage and measure the business. "This firm won't be alone in historically working and growing in a fairly bespoke way. Partners have had their own ways of working to a certain extent, with the firm adapting to their needs. That has some advantages, but it can also create areas of inconsistency and inefficiency." With ERP, he says, there'll be a significantly greater move "from individuals deciding 'what good looks like' – and building processes out from there – to a world of even more "uniform high standards."

He adds: "There'll be a more limited menu of

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the very best types of information – ensuring one version of the truth." This could impact everything from management information reporting to a more proactive billing and cash-collection strategy.

And of course, harmonising datasets is an especially pressing priority for Norton Rose Fulbright because of the verein structure it has adopted to globalise.

"The firms in different geographies each have their own systems," explains Harrington. "A lot of very hard work had already been done to make things seamless at the client interface, but the reality of the verein model is that there's a lot more hard work happening all the time behind the scenes." The rationale for SAP is to relieve some of that and manage to shift even more focus upfront.

Hard work appears to be a theme here – there has certainly been plenty for Harrington and his colleagues in getting to this point. "We've used what is known as a 'rapid deployment' – effectively four years of work in 18 months - and I'll be absolutely honest, there are pros and cons to that," he laughs. "On the one hand, of course we can realise benefits that much earlier - on the other, it does place extra pressure on the business services teams. As a result, there hasn't been the bandwidth for other things I might have done in my first year at the firm. But it's an extremely large investment so it warrants the investment in senior management time."

It's so time-consuming that an "IT change freeze" has been in place until the end of 2017. Aside from a Skype for Business rollout to offer more technical support for remote working, he says there's little else on the firm-wide project list.

"The one obvious exception is cyber risk, which needs continuous investment. You can't possibly wait for a year on that one. We've seen some high-profile breaches this year, and we simply can't afford to be too careful in protecting both firm and clients' information."

North sure

Another area of the business (and 2020 strategy) that has received a decent share of both investment and management attention is a very specific geography indeed. On 1 November 2017, a yearlong pilot of a new 'legal process hub' in Newcastle culminates in a move into brand new premises with a 10-year lease. A team of 28 - lawyers, paralegals, technologists and process experts - will be joined by around another 100 within three years

Personal file: Rod Harrington

1984 - 1987

Exeter University, Chemical Engineering

1987 - 1990 ILG Travel,

Gradute trainee, finance

1990 - 1993 BET plc, Financial analyst (Qualified ACCA)

1993 - 2011

Booz & Co (formerly Booz Allen Hamilton),

Senior analyst European finance director Regional operations director CFO - global integrated markets COO - Europe

2011 - 2016 Latham & Watkins, Chief administrative officer -**EMEA**

2016 - present Norton Rose Fulbright, Chief operating officer -**EMEA**

in the latest example of 'nearshoring' pockets of talent in a second city.

"Obviously, one of my roles in that has been to ensure correct financial governance around the investment," says Harrington. However, he has also been deeply involved from the perspective of another pillar of the 2020 strategy - "working differently."

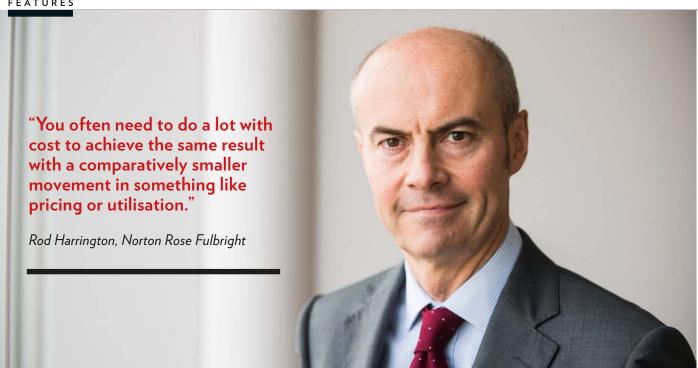
He explains: "We deliberately chose to avoid a straight 'lift and shift' of work to the hub, instead taking our time to ensure that work is first reengineered for efficient delivery, and to ensure consistently high quality. That's important for building confidence with the partners, who will then hopefully come back again.

"However, what's perhaps most interesting to me is the way something originally seen as a means of saving money - maintaining margins in the face of clients looking for more value - is now enabling us to compete for new types of work. It's opening revenue opportunities.

"An example is work that would typically be done by a client's in-house department - for example, large volumes of transactional or highly processed work. We couldn't previously manage that more cost-effectively than a client, but now we can do it, and do it better." He adds that there'll be opportunities for leveraging more IT to expand the value proposition further over time - for example, by deploying artificial intelligence and analytics.

On top of that, the process experts in Newcastle will be exploring potential efficiencies of workforce planning. "We've already recognised that we can use our global growth to move work

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around the office network more intelligently. The objective is to ensure we're always accessing the right form and level of capability to meet the client need, but also to identify that resource at the right time." He says the firm has hired a new team of resourcing managers to this end, and also designed its own "traffic-light system" to improve how levels of availability around the world are signalled online.

"There was one situation where a client sent us something late one afternoon, demanding completion by the next morning. We started it in London, forwarded to Canada for an effective 'nightshift', and the Australians then picked it up when they woke up. It avoided the London team having to work all night, and would have been a lot more difficult without the investment in creating new ways to connect."

Focus on finances

More in its infancy for the process hub is the potential to offer predictive analytics as a service. "I see very exciting opportunities to offer clients advice in new ways with more access to larger volumes of their own data," says Harrington.

In the nearer term, smarter resourcing combined with improved analysis of internal management information can make a difference to pinning down strategic pricing. "We've been able to break down legal process delivery into more discrete sections of work, measuring the efficiency of each piece, and perhaps comparing that with what's possible with new IT capability.

"In truth, a lot of firms' financial management needs rethinking. Historically, people instinctively

'knew' what the result should look like. However, that isn't fit for purpose with what are very different leverage, and IT-enabled, models. Also, the new types of work we're competing for don't conform to previous norms, so their pricing, reporting and performance management may all need to change."

Any COO obviously has to give the right attention to their business's profitability. "One of the very first things I did here was spend some time examining underlying profitability drivers," says Harrington. "I visited most offices, and spoke to a lot of partners.

"It's easy to focus on cost, but while of course that's very important, other levers could be even more so – and you often need to do a lot with cost to achieve the same result with a comparatively smaller movement in something like pricing or utilisation. Firms need to be open to moving all the possible dials, so the management team assembled a set of objectives to address each profit driver."

Applying further heat to transformation is the banking sector, he adds. High-profile problems - not to mention firm failures - mean banks are more cautious about lending money to a sector which used to be considered "as safe as houses."

"I'm acutely aware of balance sheet strength, and our ability to ride out any bumps if they come along. And of course, clients are trying to manage their own working capital, making their suppliers wait longer for payments."

He moots the possibility of a future move to a system of assessing partner performance with more emphasis on cash collection than the traditional basis of billings. "Firms can't be in a

15 Tweet us @Briefingmag **Briefing** NOVEMBER 2017 position of giving away more working capital than agreed. We've got to get the cash in, as well as the invoice out."

Into the move

Clearly, the 'near/north-shoring' trend in the UK is one rather big cost lever – and it's one Harrington looked at closely in his previous five-year role with Latham & Watkins.

At present, however, Newcastle is home only to the firm's legal process power, not broader business services teams. "Any move in that direction will be incremental and sensitive rather than a big bang, and it's still early days, but a few plans are in development," he says.

In partnership with Accenture, the firm has already shifted some IT support and financial processing roles rather further – to Manila – a move that also features in project 2020. "There are more efficiencies we can make in that respect as well, and the global business services structure will continue to evolve," he says.

But the Newcastle region is also seen as a "potential new talent market" for the firm – and one it may well have the power to corner.

Harrington had witnessed – and was impressed by – recruitment progress of Allen & Overy in its Belfast operation, he says. The firm saw an opportunity to do something similar in the northeast of England.

The organisation Invest Newcastle assisted with local business knowledge and a location-scouting service – and in contrast to some other large UK cities, firms haven't yet pitched up in significant numbers. "We're already seeing demand from our lawyers elsewhere to use Newcastle more, and we can see competitive advantage in talented people who might wish to live or move there," he adds.

The new Quayside premises also mark the firm's first fully open-plan office. As such, Harrington and colleagues are using the space to trial the agile working options currently taking the legal world by storm.

"We've always been a firm with a reasonably flexible attitude to how people work. We focus more on output than inputs," he explains. "But part of my job is to integrate good work from different parts of the firm into a more formal, stronger approach." The HR team, for example, is focused on "developing the people value proposition for a new generation." IT is pushing new technologies that can enhance productivity – and facilities is

intently focused on pressures like rent rises. Core to Harrington's role is to tie all this together into "a set of coherent objectives," he says.

"Newcastle's big benefit is that it offers a clean slate. Not only are we open-plan for all – we've also planned for people not having fixed locations in the office." Space is designed in line with the activity – for example, quiet space for drafting documents and another section more conducive to collaboration. "People may stay in one zone for an extended period, or it might be a day of rather more movement.

"The degree of any hotdesking will therefore depend on the nature of specific workloads, but ultimately it's a more creative way of managing space. It also helps the collective mindset that most of the team in Newcastle are fairly early in their careers and open to trying new things."

Who cares wins?

That said, a more experimental approach to working life matters for another business reason – the continuous mission to improve the diversity running through organisations. In 2014, Norton Rose Fulbright committed to global gender diversity targets – 30% female partners and 30% female representation on all boards and management committees by 2020 – and with half that time now passed, it's clear that attitudes to flexibility are key.

Learn from more leaders ...

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"We're making very good progress. Compared to some other sectors we're still behind, but relative to our peers we're doing pretty well," suggests Harrington. "There's a lot more to do – absolutely – but my own view is that it's also important to celebrate success and a lot of progress against these objectives."

For example, he highlights the firm's "career strategies programme" – which includes supporting senior associate women to move up the ranks. "Our last round of partner promotions here was 60% female, and 90% of those women had made use of the career programme," he says. "Another reason to celebrate is very senior sponsorship of the area, and I do think targets help to keep you honest, so long as you ensure you're measuring your progress against them."

There's arguably reason to be most cheerful in business services – his own leadership group – being at least 50% comprised of women, he says. "A particular challenge is at the level of partner lateral hires, as there are simply far fewer candidates," he says. "We make every effort to ensure that there are always female candidates on the slate, but we do need to keep working on that."

Elsewhere in diversity and inclusion, in 2017 the business was one of five in legal to make the top 10 in Stonewall's 'Workplace Equality' Index of LGBTA inclusion. It ranked a humble 75 as recently as 2015, which again speaks to some significant change one way or another.

Norton Rose Fulbright's Pride network has been supported by a set of new training modules for line

managers, reverse mentoring for anyone, and mandatory "unconscious bias and inclusive leadership" training globally. Atop all this, however, sits the matter of sufficient visibility – and not simply of rainbow-coloured items in the firm's foyers. "The managing partner and chair are personally involved, placed front and centre, and happily seen as the faces of our initiatives here," says Harrington.

And whether it's bedding in synergies and strategic advantages of big mergers, such as with Chadbourne & Parke (the firm is now among the top 25 largest in New York), or making the economic case for its recent nimble move on Luxembourg, Harrington knows progress is always about the "great people" on board.

"But everyone says that – so I'll go further, and describe it as having a caring ethos." He recalls that many have told him that when the credit crunch bit a decade ago, the firm made an effort to keep people in work by offering a shorter working week or other alternative resourcing. "It's secondhand, but people do give that same example of the prevailing culture."

I sense we're closing in on at least one ingredient of that closely guarded secret of successful transformation management in legal.

"It created a lot of goodwill that the firm said, 'we want to keep you, but you need to work with us to make it happen' – and that's still remembered today. The firm bounced back, and we didn't abandon key cultural tenets during a period of significant and difficult change."

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Ps in a pod

Back for another year of pricing, pitching, projects, process – and of course, some of our favourite people – **Briefing** 5P 2017 was a day for progressing legal business beyond traditional silos and pondering how to achieve better profitability. Kayli Olson reports

Е

arlier this year **Briefing** had its annual Operational Leaders in Legal conference, which started 2017 on the track for change and got law

firms to review and share their management structures and practices.

September 2017 then saw our **Briefing** 5P conference fill the room with people right at the coalface of creating and delivering legal products. Cathy Mattis, head of legal project management UK/US and EMEA at Herbert Smith Freehills, expertly guided delegates through the day for a feast of learning (and with true project management efficiency).

We were pleased to welcome a breadth of legal leaders involved in pricing, pitching, projects, process and people management. The objective? To share case studies, external expertise, and client opinion to gear firms up for becoming that much more profitable.

It's a zoo out there

Professor Charles Baden-Fuller, centenary chair in strategy at Cass Business School, City University, first brought legal back to the classroom to review some basic working models and how value is perceived by the client.

There are four basic archetypes, he said – product, solutions, match-making, and multi-sided business models. Examples and traits of each model can be found on www.businessmodelzoo. com – a completely free resource, he added, created to improve industry-client conversations.

"How sophisticated are your clients? They don't always want or need a standardised box or interactive service on the web."

Baden-Fuller turned the spotlight outside of legal for a better view. The reason Ferrari is worth so much is because it does more than race well and sell cars – it invests in R&D. Race cars need to meet standards, so Ferrari develops brake systems and sells them very successfully to the rest of the automobile market.

The Economist view of the Fortune 500 using data from 2006 and 2016, he said, shows that tech companies or companies that are changing their business models are the ones in the lead. Exxon Mobil and General Electric have been replaced by

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ABOVE FROM LEFT: Professor Charles Baden-Fuller, centenary chair in strategy, Cass Business School, City University; Stéphanie Hamon, head of commercial management, MD, Barclays, and Rob Booth, GC and company secretary, The Crown Estate; 5P delegates in action; Cathy Mattis, head of legal project management UK/US and EMEA, Herbert Smith Freehills.

Apple and Alphabet (the parent company of Google), with Microsoft holding steady at the top.

The big point for law firms to take away is that they have to be prepared to change and the "process for rejuvenation", as Baden-Fuller put it, requires commitment from the top.

Walk the walk

Mattis brought us back to the business world with some hard lessons from our client and law firm panel. Stéphanie Hamon, head of commercial management, MD at Barclays, Rob Booth, GC and company secretary at the Crown Estate, and Matthew Fuller, director of business development and marketing, EMEA at White & Case, discussed staying well connected during times of geopolitical uncertainty while still adding value to legal service.

Booth described how his business needed to become more multijurisdictional, and hosted a law firm day to discuss future strategic models – two, five, and 10 years down the road.

"We need analytical expertise. Lawyers are clever but smart 'non-lawyers' provide a different view," he said.

Hamon at Barclays agreed. "We also want more collaboration between law firm and client.

Lawyers are really shy of having direct conversations – all I want is a quick call with an update. We want to hear about topics and

Audience poll: Where is most margin lost at your firm?

In the winning of the work - 10%

During the execution - 40%

When the time comes to send a bill -12%

A roughly even split between the above three - 31%

I don't know - 7%

approaches used by our peers."

She added: "Don't just sit back when the firm gets on a panel. Consider how you can join us to make a real extension of the in-house team."

And when the going gets tough? Fuller at White & Case said his firm held a webinar for its clients during the Greek debt crisis of 2009 – 1,500 clients from 40 different countries. The firm was able to make the webinar happen quickly so as to provide service and support among the chaos.

It wasn't just marketing for the firm, but it was culturally useful to bring together all parts of the

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business in a time of need. He urged other firms to ask themselves how quickly they can respond to rapid external change.

What's key is fostering better collaboration between law firms and clients so that no matter the bumps along the journey, everyone is at the same point – and again it comes back to getting the notion of value right.

There are obvious ways to add value, said Booth at the Crown Estate. "Also look at producing value that sits across the whole of the advisory.

Businesses like PwC are stepping into law firms' space. Firms need to learn to better cross sell to leverage an existing service to add value."

Some law firms are still just "flailing about" when it comes to offering technology and it doesn't necessarily have to be 'more for less', he added.

Hamon at Barclays said that she could tell the firms that "copied and pasted" the AI section of a pitch. What she wants to know is that the work is delivered at the right price. "And don't try to sell me automation when you don't have an e-billing system. Create a dialogue," she said.

"We're looking for the 'law firm plus' – and project management and thought leadership. Offer me a solution, even if you don't win the pitch. Take your services a step further."

Barclays ranks the firms on its panel "from A to D." She said this turned out to be a great prompt to get law firms to understand what the bank really wants and the firms are changing as a result.

It's evident that nothing scares law firms more than being wrong in the eyes of the client. Fuller at

Audience poll: "Pricing strategy should be driven by client feedback." Agree or disagree?

Strongly agree - 17%

Agree - **35**%

Neither agree nor disagree - 22%

Disagree - 23%

Strongly disagree - 3%

White & Case added: "Value-add isn't necessarily technology, but can also be about brain power, and using it in the right areas."

You had to C it

After lunch and workshop activities, delegates heard from our C-suite panel.

Richard Hinwood, head of strategy and chief of staff at Withers, chaired the session, comprising Justin Young, chief operating officer at HFW, Steven Rowan, chief financial officer at RPC, Jenni Emery, director of business strategy and

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integration at CMS, and Darren Mitchell, deputy global chief operating officer at Hogan Lovells.

"When it comes to leadership you can get stuck in a rabbit hole of theory. I want to make clear to the partners what my goals are. A leader must have tangible communication methods," says Mitchell at Hogan Lovells.

His firm brought in a design-thinking consultancy to explore what more management could be doing to be more effective – and one thing they said was "collaborate".

Rowan at RPC said follow-up action is a good way to maintain momentum on strategy and get people to engage and collaborate across the firm.

However, Young at HFW pointed out, execution should be someone's "day job" – for instance, a legal project manager. "Pull from management, then push from the business.
Find a balance of releasing internal expertise and bringing in external resource to implement

changes - they will intermingle in the end as

changes become everyday practice."

delivery, Hogan Lovells; Matthew Fuller, director of business

take notes; Presentation from Professor Charles Baden-Fuller,

development and marketing, EMEA, White & Case; 5P delegates

centenary chair in strategy at Cass Business School, City University.

The panel agreed that a firm's people need to understand a common language to make this happen. And approach change implementation with a charted process to gauge whether it meets business requirements.

And Emery at CMS said that leaders should really ask their younger cohorts where the future of the firm lies.

"Listen to them. Get momentum going both top down and bottom up and the firm will be much more ready for long-term change," she said.

From understanding business models, to getting value correct in the eyes of the client, and managing change effectively with good leadership, there's a lot on their plates for firms to feast on going into 2018.

Perhaps people will be able to put profitable processes in place using proficient pitching and provide perfect pricing. That's living the 5P dream...

Audience poll: What is of most strategic importance to your practice over the next year?

Cost reduction/operational efficiency - 21%

Office/practice expansion - 11%

Pricing/project management - 39%

Implementation and use of new technologies - 29%









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in legal business

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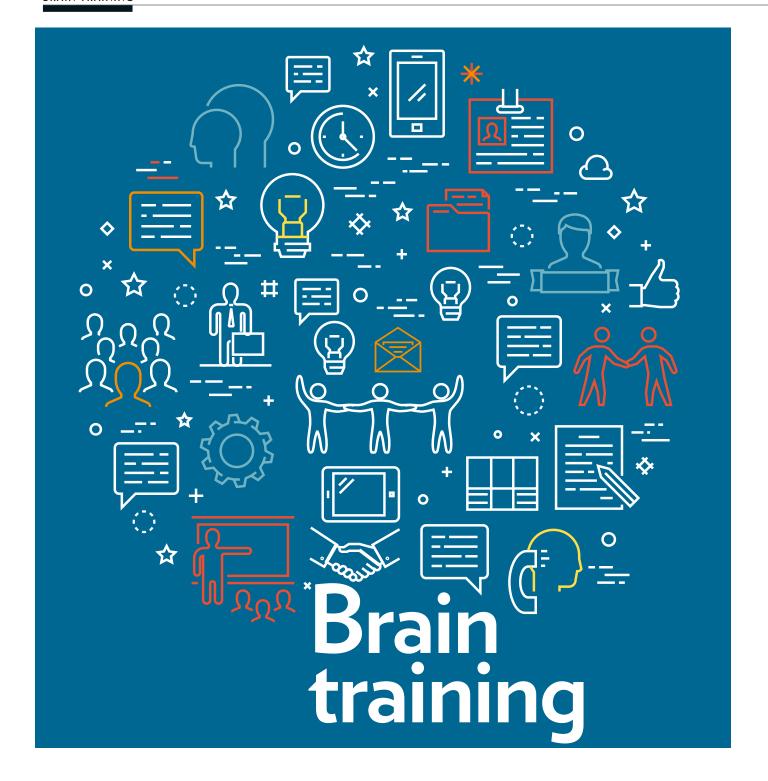
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Innovation master

Alex Smith, innovation manager, **Reed Smith**, says that innovation needs a clear purpose as well as excitement about the possibilities

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HANDS ON

Innovation master

Innovation is pretty sexy stuff in the pages of the legal press – but it's best to ground your firm's approaches in the reality of the work, says Alex Smith, innovation manager at the new innovation hub at Reed Smith nnovation has always happened.
People have taken chances with
new ideas, large organisations have
launched new products, and
unexpected ideas have become
huge. At the same time, people have changed the
ways their businesses operate with creativity and
flair – for example, through new operating models,
automating manufacturing, outsourcing and changes
to how employees work.

So, why is there so much heat behind innovation in so many industries right now? One answer is that finally many industries are truly digitising due to both huge strides in computing power, and an optimism that traditional companies or organisations can be overturned by an out-of-the-box approach to the need or problem.

But surely the internet happened 20 years ago.

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And most businesses today have online channels? Yes, but they often merely moved old business models online, or didn't look differently at the opportunity online really offers. That fact has left huge opportunities open for the cult of 'disruption' to grow the most commonly understood current meaning of 'innovation'. Add to this growth of interest in certain platform technologies (such as cloud, artificial intelligence, and big data analytics) – plus, the lower cost of entry to such tech – and it leads to a lot of optimism that anyone could be the next Google, Amazon or Uber.

In this environment, some other forms of innovation seem to have disappeared off the radar. However, the reality of innovation programmes in corporates and professional services is often more prosaic.

Change in command

I see many a surface-level 'innovation in a box' or marketing-led innovation brand tagline, accompanied by the press-driven hype of selling any new feature as innovation. But these just don't work. They're mostly seen through for what they are (especially by the ranks of your organisation, who are the people you should really be asking for their own ideas about what needs to change).

Traditionally, in hierarchical organisations, with control-and-command mentalities, letting your employees reinvent the future of the company threatens the position of the leader(s). But

the move to cultures of 'digital at speed' and the adoption of agile methodologies and lean models is fortunately ushering in a new mentality – one led by self-contained development teams, themselves led by a growing tribe of product managers.

This is the path to real innovation – to enable organisations to be based around product or user needs. For this approach, strategy and vision are the guiding principles, but they can also be challenged and changed by customer feedback and evolving market changes.

It's all still a work in progress, of course – old behaviours, such as separate innovation branches, offshoots and a proactive strategy of buying startups (and hence perceived innovation) still seem to be the rage.

There are many approaches to the innovation dynamic – but to be frank, the right approach depends on what's right for your business. Innovation is seen as one entity, but actually it has many types. The reinvention of an existing product is as valid as innovating your bottom line through an efficiency strategy. The disruptive startup approach can be idealised as the only way – a perception that if you're not disrupting something, you're not doing it right.

But what we're seeing from firms of all sizes, and their clients – especially in-house legal teams – is the variety of the spectrum. For example, firms and in-house teams have a shared experience of the changing operational expertise at the core of delivering legal services. This can lead to opportunity to innovate. At the same time, however, in certain industries changes happening could drive exponential opportunity for law firms. For example, something like blockchain and smart contracts means that the financial infrastructure is changing rapidly, and we're seeing a rapidly growing opportunity for firms to build a new market in an area not driven by the efficiency and cost sensitivity of existing products. Here we're seeing firms driving multiple innovation programmes to meet these divergent needs.

Opportunity for everyone

So, who do we want to be innovating in the organisation? To be honest - everyone! Or everyone should, at least, have an opportunity to gravitate to those areas of change, improvement and new innovation they find interesting, or (more importantly) have experienced. They should also be encouraged to understand, analyse and empathise in their specialist areas. If client-facing, they need the insights skills to listen. If in an internal operations area, they need the process and analytical skills to question, break down and improve those processes. Too often these projects are run by external consultants, who can forget it's full-time staff that need to live and breathe them. Ultimately, gathering insights from clients one interview after another, or mapping processes for days at a time, require skilled,

resilient and committed people on a mission. A lack of attention to the people and process side of a firm's operations is why many technical tools or programmes remain unused or undelivered.

On the other hand, don't pigeonhole people by role. Offer innovation skills training to everyone interested. The truth is, you don't know who may be awesome with clients or a 'process person'. Also, motivate your people by letting them acquire new skills that could empower their careers in future.

Capture creativity

Many people reply to the question 'does anyone have any ideas?' with 'I'm more of a doer than an ideas person.'

People are suspicious of innovation for a variety of reasons, but it can often centre on historic initiatives. So, some innovation techniques and a solid framework to get people thinking is core. For example, a clear focus on understanding vour clients or customers, business and processes, means you're not forcing solutions from people. Instead, you're understanding pain points and areas for improvement. Techniques such as service design, user-journey mapping,

client discovery, process mapping and creating personas allow people to engage with problems, and opportunities, as well as who your clients are and what they do. They drive an empathy with the people you serve, or even an empathy with the business strategy itself.

What's vital is that these discovery and creativity sessions are done in groups and colocated environments, where people can naturally work well together and feed off each other. If you choose a core innovation team, it's key that this group engages with the rest of the organisation in a giving and inclusive way. That team should also expose the rest of the organisation to insights from any innovation activities.

Finally, this isn't a lunch hour – find ways to give people time. Workshops could be day-long, or longer. Just look at the time put into agile sessions in technology companies. The Google design sprints approach involves taking teams out of the business for weeks at a time. My own longest experiences of this are a nine-week process locked in a room away from the day job, and three months focusing purely on creating user personas from around 100 client interviews.

A clear focus on understanding your clients or customers, business and processes, means you're not forcing solutions from people. Instead you're understanding pain points and areas for improvement.

The right building blocks

Innovation should have a focus. Too undefined, and it confuses people. It should be tied to what your organisation is trying to achieve. It's fine to focus on a business-critical path such as organisational efficiency, if this is clearly communicated. But the worst programme is open-ended innovation, where nobody understands the goal and it isn't tied to the reality of the work.

Also, organisations need to question what they want to drive. A great example of getting innovation wrong - before correcting - is Lego. It went down a path of open 'radical change' innovation and diverged from what it did well - a brick that people play with creatively. This approach ended by putting the company in danger of failed new products and the business plan became tied to events outside its control. In the end. the business killed off this form of innovation and brought focus back to what it did well - the brick! It focused one of the best and more user-focused innovation programmes around the experience and delivery of core strengths and product. It's hard to argue with the results. It could be an interesting benchmark for the legal industry to ask: What does the industry want lawyers to deliver? It could be argued that law has its own 'brick' - business-critical advice. This isn't often mentioned in the present tech innovation bubble.

A very purposeful portfolio view of innovation areas is worth considering – place a few new business bets while focusing on the core transformation projects.



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director of SAP partner Fulcrum Global
Technologies, says firms must recognise
their role in their clients' supply chains

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INDUSTRY INTERVIEW

Supply chain and demand

Ahmed Shaaban, managing director of Fulcrum Global Technologies – integration partner of SAP for legal – says it's time for firms to adopt their rightful place in their clients' supply chains

eceived wisdom has long had it that legal lags behind other industry sectors when it comes to modernising operations for the business world as they find it today. From clunky websites and stilted social media to those persistently opaque pricing structures, perception is that partners have typically been dragged kicking and screaming into cash and energy investments that threaten to transform the customer experience.

However, 'customer service' isn't the only respect in which law firms might have something to learn from the retail industry's pressure to adapt fast or fail.

Ahmed Shaaban, managing director of Fulcrum Global Technologies, says: "Organisations' supply chains are now broadly automated across the board. A large retailer or telecoms provider will have prime suppliers for their materials, equipment or furniture – and the replenishment of those services will be automated.

"Scan the box's barcode, and the replacement is being reordered. They build in contract reviews and quality-improvement criteria – and pricing can be scaled in line with the contractual obligations and benefits that flow to both parties."

But when it comes to businesses securing legal services, he says, this dynamic doesn't apply – and it should.

"A large multinational will easily spend a billion

dollars on legal services. They want buying opportunities for that budget – fixed and other alternative fee arrangements, but also significant discounts from preferred suppliers. And they want automation to power the predictability of those types of opportunities."

At the same time, he explains, companies that are busy globalising their business need the same relationships globally.

"Time was that local divisions would employ local suppliers – but if a large digital business sues today, it has to sue in 22 countries. It's simply too slow and risky to work with multiple firms, and not have the same supply chain demands and transparency in play whichever way you turn."

Profit and cost

This is the background building behind the rise of enterprise resource planning (ERP) in legal, with Norton Rose Fulbright the latest to go live on their investment in SAP this month (November 2017). Fulcrum Global Technologies partners with SAP to manage the transition of this new world of automation into the legal market – but capabilities are tailored to the practice management needs of law firms specifically.

Shaaban explains: "We spoke to the legal operations leader of one Fortune 50 company that's considering condensing relationships with 550 firms to just 20 or 30." Spending the same

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amount on fewer firms means clients can negotiate a discount, but the appeal to each firm still "far outweighs any growing pains associated with moving to a more automated approach."

With such clearly cost-conscious clients, however, firms also need to find new efficiencies to protect their profit margins.

He continues: "It isn't cost-effective to have different arrangements for each office or country in the network. Standardising an operational area such as billing not only helps firms to manage their clients' demands more directly - it also means that they can share internal management information more directly."

And the individual lawyer doesn't need to think about any of this. "Using SAP, a timekeeper in any part of the world can enter time and go about their business as usual. The system can automatically handle the billing, allocation, reporting, and even cash collection," he says.

Of course, both shared efficiencies and greater transparency should also help impress clients which are - after all - still parting with considerable sums for uncertain outcomes.

"Firms must focus on more efficient management information because they're squeezed by clients on price. But they also need to be more responsive - for example, reverting about a project or problem faster," explains Shaaban.

"Complex client fee arrangements - where matters are carefully priced in line with multiple phases - can also benefit from more visibility, which helps those clients to track, manage and contain their costs."

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Going gradual

Fulcrum is well placed to comment on what firms' corporate clients want from more automated practice management – because it's collaborating with them on process optimisation as well. In addition to integrating its software, Shaaban is collaborating with some prominent members and closely following the work of the Corporate Legal Operations Consortium (CLOC) to automate a set of new process standards.

"Our technology's in-memory computing allows us to pick up on certain trends and behaviours that would support the maintenance of these standards, says Shaaban. "The fact that companies are coming together as joint member associations will also transform the industry over the next five years."

However, this isn't to say that law firms necessarily need to change everything about their practice management at once. It goes without saying that a system overhaul of these dimensions is a serious investment of management time, as well as money. Fulcrum's Pro Series, qualified by SAP, is extensive – but businesses may choose to prioritise one area, and capture efficiency gains there, before proceeding to the next levels.

"You absolutely can bite off as much as you can first chew," says Shaaban. "For a firm such as Norton Rose Fulbright – several firms that really needed to be brought together – it makes a lot of sense to manage change just once." However, with SAP also going into 50- or 100-people UK companies, that won't be the same situation for everyone that might benefit.

The most popular in the series are probably matter management and time entry, he says. "Firms no longer have the luxury of charging 'X' by

"A lawyer may not be a mathematician, but they do need to be able to model something quite quickly – and then return to it, with appropriate modifications, for a referral. You can even integrate matter management with HR systems to improve the assignment of work."

the hour plus expenses. They need to give their clients upfront estimates based on the available information – for example, a fixed fee unless something goes to court, at which point there's another arrangement.

"A lawyer may not be a mathematician, but they do need to be able to cost-effectively model something like that quite quickly – and then return to it, with appropriate modifications, for a referral." SAP enables people to create templates for such scenarios in the matter management system.

It can also factor in the cost implications of resourcing decisions. "You can even integrate matter management with HR systems to improve the assignment of work – perhaps even giving new people a chance at a piece of work, which also helps with performance management and career progression objectives.

"And time entry functionality can be a particular issue because consolidating firms are often running on different systems – which means they can't get the same depth of analytics in reporting.

"I'd describe those as popular because there's a degree of choice," he continues. But then there's another category that's more "coerced by the way the industry is moving."

Under pressure from that lack of supply-chain management mentality, this includes the central financial management system. "Operating as a single firm financially is becoming an important value while most of the industry's systems are quite outdated to that end," says Shaaban.

"The other area I'd call core is reporting. In a world of internet-enabled mobile devices, we're used to information and analytics coming very quickly, and we're very short on patience. It's no longer enough to chase down data for a client from wherever it resides. You need reporting that's more aggressive as well as accurate, which you can quickly push out to a timely dashboard or portal."

Cloud and clear process

One area of firm management that's certainly core is cybersecurity protection.

"Whether it's nation state hacking or catching a virus, everyone's worried about their exposure to

"We're used to information and analytics coming very quickly, and we're very short on patience. It's no longer enough to chase down data for a client from wherever it resides. You need reporting that's more aggressive as well as accurate, which you can quickly push out."



cyberattack," says Shaaban. "It's causing many firms to evaluate what they have, and possibly move toward something more state-of-the-art where they identify insufficient support.

"Fulcrum has a specialised legal industryfocused partnership with IBM, leveraging its
Bluemix, SoftLayer and Watson global platform,
and others, to host data and their applications with
enterprise-class managed services, in an advanced
and secure cloud environment, should they
choose. They can rid themselves of their hardware
– subscribe, and have done with it." Over half of
firms today express strong interest in the cloud
storage option, he says, whether that's a fully
private cloud or the multi-tenant option.

But one thing that can't be switched on and left is change management of people in the process.

"We have to be a true partner of clients, and as partners you end up embracing each other's problems," he says. "Local offices will have their own requirements – working times, taxes, and of course languages – but as an integrator we also need to help the business embrace the vision of

one set of rules for all. That's a big lift, especially at the same time as firms are merging, consolidating and growing – and still learning to work together."

So, Shaaban's team has also developed a framework for change management and comms on an SAP project. Firms can tailor the plan to the subtleties of their cultures, he says. But SAP's insistence on points of process helps ensure not only the meeting of key project milestones, but also the minimising of inevitable manual inefficiencies.

"As firms evolve by joining up their multiple systems, you find some things are stitched or glued together with individuals' actions – and that's expensive to do and undo," says Shaaban.

SAP's simplification to a system offering "a single version of the truth" is therefore joined by its "Centre of Excellence" approach for application lifecycle management over time, he says. A small core of functional and technical experts, empowered with a set of tools and best-practice process documentation, serves to ensure a firm's new ERP system continues to deliver benefits in a more efficient world.

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Law firms need to reconcile any tension between long-term investment and short-term profitability to thrive in future, says Andrea Delay, head of professional services at Barclays

he UK legal market is going through a period of tumultuous change, which presents both challenges and opportunities to practitioners. On the one hand, law firms are trying to fund future investment, fend off new competitors and safeguard their margins while facing continued fee pressure and steadily climbing salary bills. On the other, technology is allowing them to operate more efficiently than ever before, while globalisation is facilitating their expansion into new markets where they can tap lucrative revenue streams. In addition, the changing political landscape, particularly the uncertainty around Brexit, is sparking client demand for legal advice.

Undoubtedly, the complexity of today's legal marketplace is already producing some clear winners and losers. Certain law firms are taking advantage of technological tools and their international presence to move ahead of their rivals, while others are struggling to adapt to the new environment, particularly in terms of getting the right balance between current profitability and the investment that underpins future growth. This point was highlighted during a fascinating panel discussion that took place at the Barclays professional services conference in autumn 2017. The conference itself came just months after the European arm of law firm King & Wood Mallesons finally collapsed into administration, which was a poignant reminder that the success of all law firms – regardless of their reputation might – rests on a fragile economic balance.

From the conversations I have with the managing partners of law firms, I know that maintaining profitability is an ongoing battle. They are under pressure from their clients to freeze – and even squeeze – their fees, and they are

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increasingly expected to do 'value add' work – otherwise known as 'working for free'.

Furthermore, as the in-house legal departments of large companies take a more sophisticated approach to procurement of legal services, sometimes bringing in an intermediary to do it for them, it becomes harder for lawyers to build and maintain personal relationships with their general counsel clients. Even when they're appointed to a client's panel of firms, they increasingly have to compete with others for work through miniauctions. Not all of these firms may be law firms in the traditional sense: some may be alternative providers, such as the legal services practices of the Big Four accountancy firms.

Modelling way of working

As the business of law becomes more competitive, firms need to review their delivery models if they're to stay profitable while meeting – and exceeding – the expectations of their clients. This doesn't only mean allocating the right resources to a project in terms of partners, associates, any offshore legal services and technological tools. It also means creating a consistent delivery model that can be applied across different projects and using new systems that can integrate effectively with other systems. It may also mean investing in artificial intelligence software that can analyse very large volumes of documentation at the touch of a button.

However, by changing the ways in which they work, law firms will not only improve the service they deliver to their clients, they will also enhance their attractiveness to potential new recruits. This is critical if they're to win the war for talent, as anticipated future skills shortages across the economy mean competition is intense to secure the brightest and the best – and will only grow more so.

Lawyers and would-be lawyers will expect their firms to invest in the state-of-the-art technology, such as automated timesheet products, which will free them from the more mundane aspects of their work, so they can focus instead on delivering high-value legal advice to their clients.

Sustainability to win

For law firms to be sustainable over the coming

One of the reasons the partnership model of law firm ownership has been so successful for generations is that partners have traditionally taken great professional pride in their firms, seeing themselves as guardians for the next generation.

decades, today's partners need to give very careful consideration to where, how, and how much, they invest in their firms. It's essential that they take a long-term view and make decisions that are right for the future and are not just intended to maximise this year's profits. One of the reasons the partnership model of law firm ownership has been so successful for generations is that partners have traditionally taken great professional pride in their firms, seeing themselves as guardians for the next generation. Should this sense of belonging and responsibility be weakened, the partnership model itself will suffer. And while the corporate model does offer a flexible alternative to partnerships for law firms, its track record is still too recent and mixed to be an obvious replacement.

In spite of the challenges they face, the evidence suggests the overall picture for law firms right now is broadly positive, and they are seizing the opportunities that exist. According to The Lawyer's 2017 UK 200, the top 200 law firms earned a record £23.46bn in 2017, a rise of 9% on 2016. Furthermore, the average revenue for firms in the top 100 was £219.8m, up from £201.3m in 2015/16. While there are concerns around what Brexit means for the City of London and the wider professional services sector, the UK's widely respected legal system is one of the country's greatest strengths. Provided that firms adapt to this period of momentous change, there is no reason why the UK should not remain the world's preeminent legal centre.

The views expressed in this article are the views of the author and do not necessarily reflect the view of Barclays Bank, nor should they be taken as statements of policy or intent of Barclays Bank. DAY IN THE LIFE

Little bird

Kayli Olson had a chance to see the corporate world through a child's eyes, when the future workforce and their proud parents tackled some Bird & Bird business basics for a day



or a child at a law firm, a day in the life starts at 9am. Or, it does when it's bring-your-child-to-work day. In summer 2017, Bird & Bird welcomed 25 of its staff's children, all aged eight to 12, to its London office for some insight into the world of their parents' work.

Laura Whelan, CR and diversity manager at the firm, invited Zoe Sinclair, director at Employees Matter, to fill the day with fun, child-friendly activities that went beyond arts, crafts and face-painting.

Whelan explains: "It's our first time doing 'bring your child to work day'. We're excited to be doing something a bit different to our usual seminar and diversity initiatives.

"A day like this really highlights the diversity of a workforce and embraces family-friendly culture. It's not just partners' kids, but children of parents in all areas of the London office."

The children were tasked with creating a new branch of the firm just for kids. The structure of the day was all about understanding both the world of work and the law firm workplace specifically, says Sinclair.

• 10am – After an hour of ice breakers and team-building involving building the tallest structure possible using straws and tape, the kids get briefed on Bird & Bird bingo. What is a law firm and what components will they have to think about when building their own?

The bingo sheet is full of recognisable brands in retail – and they play a game to get creative juices flowing. Next it's their turn. Kids are tasked with creating their own name and logo for a new branch of Bird & Bird. Children work hard in table groups to fill up their presentation boards, ready to show parents at the end of the day.

They also get slips of paper to write down 'tweets' throughout the day, showing progress on creating their brands, which will also be posted on their final board for presentation.

(*) 11:10am – After a brain-refuelling snack break, it's time for some debate.

Working in groups, the children are each given a job role and told that the hot air balloon they're travelling in is in trouble. In order to keep the balloon in flight, two people have to be thrown out! They debate who should stay in the balloon by highlighting key strengths in their roles. Perhaps good practice for future careers ...

① **12:30pm** – The kids get a break to go take their parents out for lunch, before heading back into a branding

A day like this really highlights the diversity of a workforce and embraces family-friendly culture.

exercise (making T-shirts of that new branch of Bird & Bird).

② 2:15pm – And like at any good employer, the children have some emergency, health and safety training – from a professional first-aid trainer. "Would you know what to do if your colleague collapsed in front of you? They were split into two groups and each had 20 minutes of first-aid training," says Sinclair.

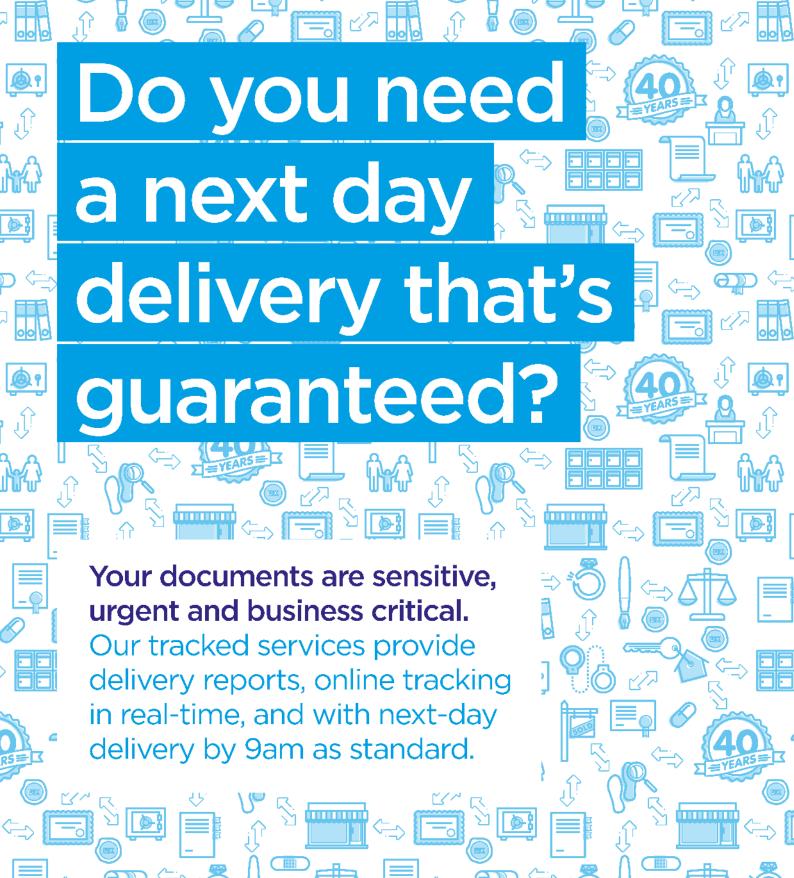
"They're doing something that they've never done before, learning about good health and habits in the workplace – and maybe acquiring a skill in the process."

③ 3pm – The final piece in this impressive tower of law firm building blocks is recruitment. Each group had to think about how many people they would ultimately need in their business and write a job advert.

◆ 4pm – That's a wrap. Those presentation boards are finished with all the activities from the day, and in come the management (aka parents) to review the fruits of their labour.

Whelan says: "The day was a huge success – it was great to see it all come together at the end with the presentations, and the students were very confident in front of all the parents. It was a good way of supporting the firm's working parents in educating the next generation, as well as showing them where mum or dad spends their day."

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