

COULD BE HEROES Delegates tackle some serious play time at Briefing 5P 2019 STRATEGIC STORAGE Garry Mackay, CEO, Ashfords, on the considerations behind a new client service SMART WORK
Lee Bacon, co-founder of
Clyde Code, on a contract first



Hot data

Why a select few law firms are partnering with the world of academia in the quest for further information and the science of sharper analysis

Briefing TEI 2019



Creating explosive growth













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This issue is brought to



Editor's letter



S

o, summer seems to be rather cementing its reputation as the season for eye-catching legal business tie-ups that might just point to larger transformation of our community. Last year we had the EY Riverview Law

combination excitedly interrupt our icecreams. This year 'traditional' legal got in there, with Simmons & Simmons snapping up 'legal engineering' outfit Wavelength.

Close watchers of our industry's exquisite choreography will know that Wavelength had only just appointed the two new roles of head of legal innovation and design (Erika Concetta Pagano, from the University of Miami School of Law) and head of strategy and policy (Sophia Adams Bhatti, creator of the Law Society's public policy commission on the use of algorithms in the justice system).

Summer seems to be rather cementing its reputation as the season for eye-catching legal business tie-ups that might just point to larger transformation of our community

Also, earlier this season, Eversheds Sutherland brought several existing areas of the business together into 'alternative' offering Konexo: a new managed service product line, which the press release pointedly says "is led by a team of tech professionals rather than lawyers".

Not quite as hot on the heels of one another as strategic moves of this ilk, are those firms that have seen fit to take advantage of the government's offer of a

Knowledge Transfer Partnership (KTP) with a university or other research-focused organisation to fuel innovative thinking. Some time ago I felt it was high time we spoke to this particular group in detail about what they've gained from that experience and what others should expect if tempted to join them. Read all about that from p14.

Many will know that issues of **Briefing** are far too reflective of the whirlpool of business factors churning up this industry to have something as prosaic as a single, overarching management 'theme' these days. But I just so happened to notice that a little word used a lot in all the input into this month's selection was 'data'. What do we want? When do we want it? What should we do with it if we get it? Which of those things should we do first? When do we give up on it, even? It's both the big opportunity for powerful change and the persistent problem preventing it.

RICHARD BRENT EDITOR-IN-CHIEF











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- How the sector has matured and how firms have successfully embedded automation across the business
- The future of automation documents, chatbots and beyond





Stuart WhittleBusiness services and innovation director Weightmans





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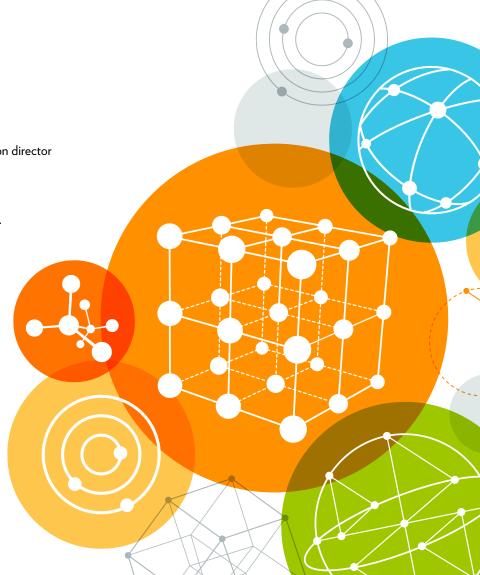
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Legacy work

"Amazing tools and functions can be developed, but if we struggle to use them, it's a wasted effort."

Garry Mackay, CEO, Ashfords





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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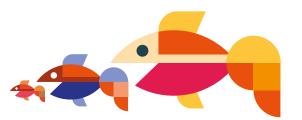


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Shock and law



learly, rather than enjoying a siesta or 60, law firms have seen the summer as an opportunity for bold moves and big news, as it's all been kicking off. Some titbits include: **Dentons** combining with New Zealand's **Kensington Swan** and South Korea firm **Lee International**, **HFW** launching a Monaco office and partnering with litigation analytics startup **Solomonic**, and **Thomson Reuters** acquiring technology company **HighQ**. Phew.

It's all a bit much, whatever the weather.

Nevertheless, we steam ahead with a number of alternative manoeuvres by law firms. Just as **Briefing** broke up for summer, **Eversheds Sutherland** announced the launch of its very own alternative legal service and compliance provider **Konexo**. The new international business unit brings together existing advisory, interim resourcing and managed services teams, with the goal of increasing its own revenue from £40m to over £100m within five years. In a statement to **Briefing**, head of Konexo Graham Richardson said the business will apply for an alternative business structure licence in the coming months, and that will be a standalone business.

In another instance of a firm after a slice of NewLaw action, regulated 'legal engineering firm' **Wavelength** has been snapped up by **Simmons & Simmons**. Founded in 2016 by CEO Peter Lee and chief legal engineer Drew Winlaw, Wavelength focuses on data engineering and designing legal solutions; the two co-founders will continue to lead their business, operating as a new unit

within Simmons, from offices in Cambridge and London.

In a press release, Lee said: "Simmons & Simmons is seeing increasing demand for our skillsets from within their client base and this transaction provides us with an excellent opportunity for us to scale together."

Meanwhile, law tech startup **Reynen Court** launched the Beta of its 'solution store'. Supported by a consortium of 19 top law firms, including co-chairs **Latham & Watkins** and **Clifford Chance**, the platform is focused on supplying third-party 'containerised' software through private or on-premises cloud, and managing

subscriptions and interoperability between them, with over 90 tech vendors currently represented on the platform. With full deployment slated for later this year, expect more attention here.

In the world of finance, litigation funder **Burford Capital** made national news in August – its shares tumbled for a time after a report issued by the US investment firm

Muddy Waters. Responding to shareholders, Burford later signalled its intention to add two new, independent directors to its board "as rapidly as possible". It

has also announced the replacement of CFO Elizabeth O'Connell, who is married to CEO Christopher Bogart, with Jim Kilman (Morgan Stanley), to "buttress" confidence in the company's financial disclosures, as well as guiding exploration of an IPO on either the New York Stock Exchange or NASDAQ.

Right, we need another lie-down after that lot – still, nearly Christmas ... no major new lines being drawn before then, right?



The

number of

technology

vendors

signed up

to Reynen

Court



65 SECONDS WITH ... TIERNAN BRADY



Tiernan Brady, global head of inclusion, Clifford Chance, was formerly a director of marriage equality campaigns in Ireland and Australia. How do you bring the spirit and the principles of permanent campaigning to a global law firm?

What was the nature of your work before coming into the legal profession this year?

I'm not a traditional hire. Much of what I've done before has been a brilliantly bizarre zigzag journey of campaigning in different countries, most recently for the Australian referendum on marriage equality, and before that as political director of the Irish referendum on marriage equality. Campaigning is about moving the middle point of society, enabling enduring change, so you're always looking for where that can be made to happen – and increasingly change is coming from the corporate world.

And what do you think is different about your new role for the legal market?

Clifford Chance is genuinely breaking new ground in the legal world by taking a campaigning approach to diversity. Metrics are vital, but they are only a tool that helps us to deliver real change, so we have to move past the idea that metrics are enough – it's about changing the culture and the lived experience. We're saying to our people and clients that we're not trying to catch up on standards – we intend to set them.

What are your first steps in that strategy then?

We can't run campaigns based on hunches, so data is very important. We're currently carrying out internal research on experiences and attitudes, and we're working on a global survey, because each country we're in will have its own unique social background and culture. There won't be a one-size-fits-all solution. The firm's mentoring and reversementoring approaches have been hugely successful already. We want to get people away from thinking of diversity as a 'what' and get them thinking about it as a 'who'. Inclusion then ceases to be about guidelines and terminology and starts to become about individuals and their experiences - then you can really start to change the lived experience of people.

Are law firms really making enough progress on diversity and inclusion?

A lt's heading in the right direction, but at too slow a pace. And we have to be honest when asking ourselves about why that is and determine the trigger point in careers where we start to see, for example, a divergence between male and female opportunities starting to happen. What we're finding is that there's no one critical 'that's it' moment, but rather there are a multitude of factors. It would be lovely if there was a magic tablet, but there's not.

So, where do you think firms need to focus hardest on change now?

We know a greater variety of opinions allows us to reach better decisions and strategies. But also, if you want to attract and retain staff, the values you have and the experience you afford them are everything now. People no longer work for 40 years and get a carriage clock at the end - they have more power to move where they want. The law is ultimately about fairness and justice, so core values of inclusion should be the most natural thing in the world. What's more, our clients also expect more from us on diversity, and I think law firms will increasingly find that to be the case.

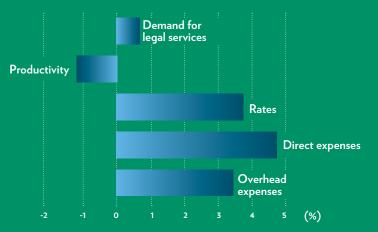
What are you proudest of achieving in your career?

I'm quietly proud of knowing that somewhere in the outback of Western Australia, or in South Kerry in Ireland, there's a 15-year-old growing up who knows they can have the same family aspirations as their brother or sister. Making change happen in a way that brings people together rather than creating winners and losers is difficult. It can easily rip a country in two - look at Brexit - so I'm happy that not only did we win our fight for marriage equality, but we created change that made countries more unified than they were before.

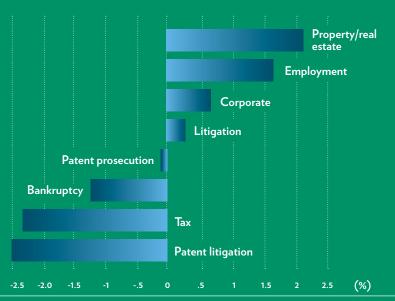
Database PEER MONITOR®

Briefing will be having a regular brief rummage in Peer Monitor's legal business 'basket' to pick out some of its most telling benchmark data pieces. Where do they point for market trends and law firm management?

THIS MONTH, HOW DID THE PEER MONITOR INDEX FIND GLOBAL US-BASED LAW FIRM PRODUCTIVITY FARED IN THE SECOND QUARTER (APRIL TO JUNE) 2019?



AND WHICH PRACTICE AREAS WERE MOST IN DEMAND, COMPARED TO THE SAME QUARTER IN 2018?





PEER MONITOR® PERSPECTIVE

"For US law firms, second quarter results can be summarised as 'two steps forward, one step back.'
Demand has recovered from a weak start to the year, and rates continue to climb. However, productivity is dropping, as firms have quickly reverted into hiring mode, while demand does not appear to be keeping pace. Expenses are also creeping up.

None of these factors are reaching alarming levels by themselves, but taken together they may be gradually eroding profitability, and will no doubt be on the minds of firms as they look ahead towards the remainder of 2019."

AND HOW'S UK LEGAL GROWING?

Source: Deloitte quarterly legal sector survey of the 'top 100' UK law firms 7%

Average UK firm fee income growth (year ending 30 April 2019)

4%

Average growth in fee earner headcount over that period

3%

Average fee income growth (quarter ending 30 April 2019) _7%

Drop in average chargeable hours per fee earner (quarter ending 30 April 2019)

SPEAK UP

Collaboration counts

e are taught in school that 1+1=2. Simple maths. However, as Mark Twain said: "I have never let my schooling interfere with my education." In spite of its best efforts, economics is not a mathematically based science. It is the study of human behaviour, either en masse – companies, countries, communities – or individually. People are irrational, as Daniel Kahneman demonstrated: individually, as well as at the helm of companies, countries and communities.

Therefore, 1+1 can equal 2. It can also equal 0, 1, or more than 2 when we consider the economics of collaboration.

I first used this term in legal a number of years ago, and fully set out the principle in a number of talks. However, it is commonly misapplied to generally 'working together', missing the point entirely. Talking to the mandarins at **Briefing**, we were keen to rectify this and go back to basics.

Let me try to set it out here. Here are some scenarios when looking at two parties collaborating:

• 1+1=0. This is when we're playing a zero-sum game and only trying to maximise potential gain in the short term. A good example of this is José Mourinho joining Manchester United. One of the most successful managers in football history at one of the most successful clubs – bound to work, right? Wrong. Both

Economics is not a mathematically based science. It is the study of human behaviour, either en masse – companies, countries, communities – or individually

Mourinho and Manchester United were obsessed with 'their way' and the lack of mutuality had disastrous effects for both of them.

- 1+1=1 where the fit is bad but the intention good and both organisations are distracted from their core goals without growing mutual benefit. Take AOL and Time Warner.
- 1+1=2 where two smaller things just become one bigger thing, but there is no exponential growth. Take McFly + Busted = McBusted.

In rare circumstances, however, 1+1 can be more than 2. That is, complementary skillsets and dedication to producing something new from the bringing together of two entities where both win, as does the client – more than the sum of their parts. This is the economics of collaboration ... perhaps I can give a personal example.

At Hogan Lovells (itself a 1+1>2 merger) we collaborate with a large number of partner organisations: Epiq, Elevate, FTI Consulting and Cognia Law being a few. Take Cognia as an example a cost-effectively structured, process-led law company, which has invested in high-quality individuals and systems. Add to this the fact that Hogan Lovells is a globally capable law firm with industryaligned legal expertise. Both organisations have come together to form a people, process and technology structure that brings clients a cheaper, faster and better solution for large-scale, complex legal projects. Hogan Lovells and Cognia both win, because we get more of these sorts of instructions than we could win if operating independently. Clients win because they get a seamless service. where the right people do the right work at the right time - and at lower cost.

I'm glad I didn't allow my schooling to hamper my education. ▶



Stephen Allen Global head of legal services delivery Hogan Lovells





Dana Denis-Smith CEO Obelisk Support

@ddenissmith

SPEAK UP

Is your firm culture future-proof?

he future of legal work is changing and, along with it, how work will get done. The role of firm culture will be more significant than ever before, driven by a new generation of solicitors that will be the most demanding yet, expecting diversity on all fronts – of people, workspace, technology and wellness.

But are law firms ready to change? It's a mixed picture, but those that tackle this now will succeed in the future.

Our report released before the summer, Back to the future: Reshaping firm culture, outlines four cultural pillars that law firms will need to embrace.

Promoting flexible workspace options that can be tailored to the needs of both workers and clients.

This is more than just a way of working. It's a business model or philosophy and, when undertaken properly, it can reap some formidable rewards. Beyond just offering hotdesking or a laptop to work from a client's office, flexible working puts the focus where it counts: on serving clients' needs. By encouraging teams to work collectively, rather than focusing on the old barometers of face time, it promotes the delivery of improved results.

2 Fostering a future lawyer who is entrepreneurial and adapts to a

The biggest challenge over the next decade will be the increased expectations around equality and wellbeing. With demographic diversity expected as a bare minimum, solicitors of tomorrow will look to firms for personalised solutions that meet their physical and mental health needs

variety of situations.

Lawyers have always been entrepreneurial, but the future lawyer will need to expand their roster of skills to adapt to an environment that is more business-oriented and tech-savvy.

3 Strategically adopting technology that makes sense for specific, clearly defined objectives.

Firms will need to embrace work management technology with a millennial sensibility and adopt a holistic family of legal tech products.

A Resetting the corporate climate to be more accepting of differences between people and how they work.

The biggest challenge over the next decade will be increased expectations around equality and wellbeing. With demographic diversity expected as a bare minimum, solicitors of tomorrow will look to firms for personalised solutions that meet their physical and mental health needs.

For some firms this will represent a significant change. There's certainly plenty of effort being put in to deliver solutions, but fundamental change of this nature will take time and effort. It will also see the common practice of measuring employee satisfaction by hours worked relative to salary coming to an end, because it's insufficient to address the employee happiness gap.

Our experience is that it's possible to meet the changing expectations of a new breed of lawyers. Firms that tackle this now will be the ones that succeed. Failure to do so will mean firms playing a dangerous game in terms of their ability to attract and retain top talent.

10

INDUSTRY VIEW

Cloud control

hat always happens to me a week after I get a new phone? The next-generation version is announced. It's always infinitely better and cooler, with a whole host of new features and revolutionary technologies I would just love to have.

But no – I'm gonna be stuck with this embarrassing, already old-fashioned piece of kit for the next two years until my contract renews again.

Of course, some people opt to shell out the extra £500, £900, or whatever – it's always exorbitant – to upgrade to the new model when it is released, but I just can't bring myself to do that. And so, I suffer in frustration and shame. I have a US-based colleague who, when we are in meetings together and I pull out my old phone, invariably remarks on how "cute and tiny" it is, as she scrolls leisurely across her sleek, modern, beautiful marvel of telephonic wonder.

No matter how we plan, how long we procrastinate, or how well we forecast, there's always a newer version coming.

Nowhere is this more true than in the business of on-premises legal technology. Even products with incredibly long lifespans, such as Elite Enterprise had (30 years-plus), or indeed 3E (which I predict may last even longer than that, owing to its virtually future-proof architecture), are continually being updated with new features, functionality and user interfaces.

This fact of the world we live in presents a constant conundrum for law firms. Which version should we go live on? Which version should we upgrade to? If we want to go live on date X, but a new release comes out on date Y, is there time to test, absorb, document and train on the

new version?

Time and time again I see our clients take the super-cautious approach – and end up going live on that cute and tiny version, which is already out of date before they've even trained their users. This is understandable – law firms are inherently risk-averse, because hey, that's what they're paid to be. They confuse 'perfect' with 'done', and end up falling further and further behind with their on-premises technology. As a result, upgrade projects become exponentially more difficult and expensive.

There are really two possible solutions to this problem.

Take a leap of faith, and jump to the latest possible release. Then upgrade every year. Yes, some law firms really do this. And they follow a repeatable pattern, via predictable, affordable budgeting, for their upgrade cycles.

Move to the cloud. The fact is, although we grumble a bit when our apps or cloud solutions upgrade without our explicit consent, and sometimes even without advance notice, nobody dies. Nobody gets fired. Nobody's budget spirals out of control. And there's a bonus: we're on the latest and greatest technology with the coolest features and tightest security controls.

Did I mention that 3E is available in the cloud now in the US, later this year in the UK, and then across the globe in the near future? Yes, you could be that cool too.



Patrick Hurley Vice president, customer advocacy Thomson Reuters Elite

◎ TPatrickHurley

For more information, visit: www.elite.com

No matter what we do, how we plan, how long we procrastinate, or how well we forecast, there's always a newer version coming. Nowhere is this more true than in the business of on-premises legal technology

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INDUSTRY VIEW

An eye for Al



James Gilding Managing director Business services Mitie Document Management

@JGilders



Only 8% of businesses consider themselves digitally transformed. There's still substantial scope to introduce new ways of working and better process automation across all sectors and business areas

e all know that AI (artificial intelligence) and machine learning are among the buzzwords that frequently

come up in meetings or discussions around innovation and problem solving. It's also heavily mooted as a key part of proposed requirements by some supply partners.

So, what is AI and how should it be approached to deliver organisational benefits? There are numerous definitions out there, so I've tried to take the best of what's on the web and consolidate it.

- AI is designed to replicate cognitive tasks and/or simulate human intelligence.
- AI is often 'trained' for a particular requirement or task.
- AI systems can be defined as weak (narrow AI) or strong (artificial general intelligence), based on their ability to find a solution when presented with unfamiliar tasks and without the need for further human interaction.

We're probably all using 'AI' in areas of our businesses already, without even realising it. Your marketing department is probably using AI-based applications for their online campaigns and social media activity. Many banking applications, in both our personal and business lives, have AI running in the background, and we use machine learning to help improve document production, and workflow and data management.

And yet, only 8% of businesses consider themselves digitally transformed. There's still substantial scope to introduce new ways of working and better process automation across all sectors and business areas. Gartner reports that global spend on AI is over \$1.2bn (£990m) a year – which is considerable, particularly when you

realise that is just a small section of the digital-workspace opportunity. So, where's it all going?

McKinsey tells us that 45% of all work activities have the potential to be augmented with machine learning and AI – and consumers are receptive to the idea. And 69% of customers say they would talk to a bot before a human in order to get instant answers – albeit only to a point, with around 67% of customers preferring agent-assisted customer services over a purely self-service model.

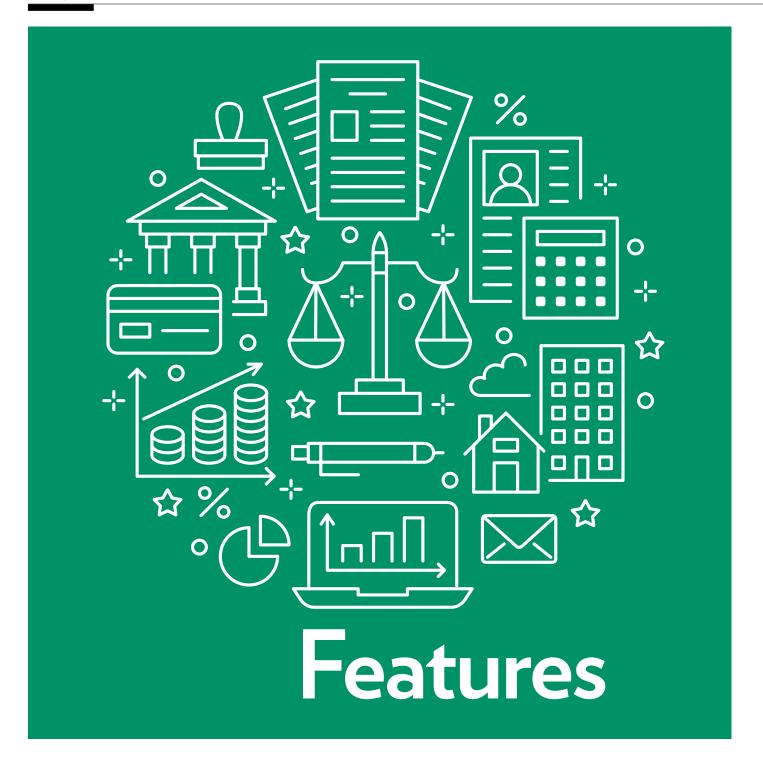
Because of the general public's views around the perceived risks of AI (no doubt driven by Hollywood), there's been a movement to refer to AI as 'augmented intelligence', to more realistically reflect the jobs it can perform. The data science community has also looked to put key principles in place around the design and use of AI tools. These include ethics, shared benefits, privacy and working for the common good. More information can be found at The Future of Life Institute.

With all this hype, you could be forgiven for thinking we're all just about to be replaced by robots. The truth is, thankfully, very different. The potential uses for AI in business are still yet to be fully recognised, and wanting to transition to a new way of working and actually delivering it are two very different propositions.

We need to fully engage with our technology partners – but we should do so with a longer-term view, and remember that people-based decision-making is still at the heart of how we innovate in business.

I borrow the last word on the subject from Roy Amara, whose adage is often called 'Amara's law': we tend to overestimate the effect of a technology in the short run, and underestimate the effect in the long run.

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14

See the science

Why have a handful of firms embarked on a Knowledge Transfer Partnership with an academic institution? Richard Brent finds out 19

Search for the 5P hero

Briefing 5P 2019 gave firms the opportunity to profit from a strikingly original, cross-functional collaboration project

THE BIG IDEA

See the science

A small number of **Briefing** law firms have struck time-bound partnerships with universities in the never-ending quest to be at the cutting edge of what data can do for the business. What have they gained from the experience, and was the experiment worth it? Richard Brent reports

esearch commissioned for the Royal Society in May 2019 found call for employees with "specialist data skills", such as 'data scientists' and 'data engineers', has increased

231% in five years (demand as measured by job ads posted). For comparison, growth in demand for people containing any and all skillsets was 36%.

Professor Andrew Blake, chair of the Society's working group on data science, highlighted that demand peaked at "the advanced end of the spectrum, where businesses are crying out for professionals to unlock the potential of new technology like machine learning and artificial intelligence. Demand shows no sign of slowing down, and skill shortages that have plagued the economy for years will only get worse over time."

And one of four "calls for action" put forward to help the UK "remain a leading data research nation" was to enable more movement and sharing of talent between academia and the public sector and the business world.

Indeed, universities aren't without some data expertise challenges of their own. "The intense hiring drives of tech giants increasingly lead to an exodus of researchers seeking better data, more computing power and higher salaries," added Blake. "More joint university and industry positions could help ensure that talented scientists stay in academia and train future generations to come. Universities may want to think about embracing this joint model for data science and AI, to help secure their AI talent for the future."

Innovation options

The five years covered in the report coincide with a, frankly, gentle trickle of law firms that have so far opted for a Knowledge Transfer Partnership (KTP) to tap into precisely this academic talent for a time. Back in January 2015, Riverview Law (now EY Riverview Law) began such a project with the department of computer science at the University of Liverpool to take advantage of "leading-edge computer science expertise in areas as diverse as artificial intelligence, text processing, network analysis, computational argumentation and data mining". A primary goal: finding new opportunities for automation to play a part in making the various decisions that ultimately make up client service.

Of course, many firms are investigating the potential of AI and automation. They don't need to have a KTP for that. But while much of this is about increasing the efficiency of legal work, another strategic question is the most efficient way of finding the right solutions.

Dan Taylor, director of systems at Fletchers Solicitors, says the firm had spent a long time reviewing a lot of proprietary software, but concluded the extra development that would be required looked like being prohibitively time-consuming and expensive. He got chatting to somebody at a British Computer Society conference, who drew his attention to the option of applying for a KTP.

An obvious attraction of the scheme is that it's part government-funded – Innovate UK has contributed 50% of the project cost, says Taylor. Moreover, a lot more has been added to the total pot available to eligible business projects in recent years, he says, as the government seeks to stimulate innovation activity across the economy.

But then there's the talent itself. Business and university (in this case Liverpool again) collaborate to find the right expert, or experts, who are effectively seconded to the business for the project.



Taylor says the academic network enabled the firm to interview for these new data skills very widely, including internationally. They ultimately welcomed an Italian (who relocated to the UK for the purpose) and a Russian who was studying in the UK already.

"A clear benefit is you're tapping into a broader base of knowledge than you're likely to have in one company. It's the global machine-learning and AI community really, as the academic will present papers at global conferences, for example. That knowledge then becomes embedded in the company. It isn't a given, but sometimes the academics even go on to become employees of the business, as you don't want to see them go."

Karim Derrick, head of research and development at Kennedys – and now embarking on a second KTP after a positive first two-year experience with the University of Manchester – says careful selection of both academic partner and project graduate (known as the KTP 'associate') is key. "To be fair, you may first slightly need to 'sell' legal as the exciting area we know it is," he says. "But you need to find the right people in every respect to make the most of the partnership. It's as much about finding the right university, as they can have quite different approaches, as ensuring the recruit fits the organisation. Academia can bring a rigour and objectivity to investigations sometimes lacking in the commercial world, but some universities are also more commercially minded than others." Derrick has certainly seen "substantial value" in the double PhD now sitting in his R&D team (computer science and statistics), he says. "I'm really pleased, and indeed hopeful she'll stay with us beyond the KTP."

He adds it has likely helped the embedding process somewhat that there was a data science group already in place at Kennedys. "I'd suggest being the only one in data science in a law firm would be quite a big ask. Of course, one benefit of the KTP is you're working in the university some of the time as well, but it would possibly be a lonely experience to be surrounded only by lawyers." On the other hand, he adds, there's definite value in constructive crossover between the 'languages' of lawyers and data scientists.

Listed law firm DWF is around a year-and-ahalf into a KTP, also with the University of Manchester. Jonathan Patterson, managing director of its DWF Ventures innovation arm, says he came to the idea after a slightly dispiriting earlier attempt to pitch a few different ideas to a group of MBA and doctoral students looking for their qualification-completing industry projects.

They all deemed themselves 'out'. "But it was useful insight that universities really didn't see the potential attraction of legal services as a partner at all," he agrees. "It has been some stimulus for what

we've tried to do since to prove we can be of academic interest and offer worthy research findings." However, immediately following this setback, Patterson then got talking to the university's KTP manager, who directed him to what Innovate UK was doing.

Results driven

BLM struck a two-year partnership with the London School of Economics and Political Science (LSE) back in February 2018. This gave it access to the knowledge of three professors, plus day-to-day support from a dedicated post-doctoral fellow working with its expanding analytics team, both onsite and from the LSE. The aim was to explore how its vast sums of case data could be exploited using statistical modelling both to manage insurance litigation more effectively (for example, predicting outcomes or cost overruns), and potentially to diversify into new clients and markets. This isn't a KTP – it's co-funded by BLM and the LSE Knowledge Exchange and Impact fund – but the drivers for the approach are similar.

Andrew Dunkley, the firm's head of analytics, echoes Taylor: "One thing we've found is that buying a piece of technology with 'AI' on the box is not an AI strategy. First, a lot of things marketed as AI aren't – and things get labelled as analytics which are really reporting. Even having good technology in place isn't enough in itself to achieve predictive power and drive better decisions."

Related to this is a broader analytics journey for BLM. "Fundamentally, reporting is saying what has happened. Moving into analytics is being able to say why it happened, and predictive analytics seeks to identify what will happen next. But the holy grail is understanding how to change what will happen next."

The LSE partnership follows several full-time data science hires employed to this end, as well as a robust governance framework. Dunkley explains: "One challenge you have in this field is not necessarily knowing whether there'll be a solution at the end or not. Sometimes you can deploy your scientists, build your machine-learning models and plot your graphs, and only get some nice normal distributions – nothing predictive at all. On the other hand, sometimes something falls out of the data that you weren't expecting, but which in retrospect makes perfect sense." That's why the governance is so important, he says. "It becomes about really

Parts of the data job

A Royal Society report, Dynamics of data science skills, issues four calls for action on the UK's collective data skills:

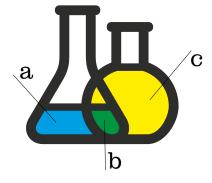
- Ensuring the education system provides all young people with data science knowledge and skills, which will require curriculum change within 10 years
- Widening access to data in a well-governed way: opening up data securely
- Advancing professional skills and nurturing talent: offering nimble and responsive training opportunities and training based on collaboration between the academic, private and public sectors
- Enabling movement and sharing of talent between academia, the public sector and business.

careful prioritisation – recognising as early as practically possible if the problem isn't amenable to an analytical solution for any reason."

As it happens, in July 2019 BLM unveiled a new suite of seven online analytics, case management and communications tools – one of which, called Foresight, was developed in conjunction with the LSE. Described as the "flagship tool", it uses a form of AI to support a claims handler's decision-making about human issues such as witness reliability when looking for a route to earlier settlement. It was initially designed for motor claims, but is in the process of being expanded to other work types.

"It isn't AI in the sense of having a conversation with you; however, by weighing the evidence strength as well as the facts, the model is built to give the same answer about likely 'fault' as a human. That's something you can't achieve with a document-based system alone, and the really valuable thing the LSE brings is the depth of rigour





- the methodological core - that makes it scalable.
 It's less likely to be thrown off by unexpected circumstances or future changes to the model."

After not quite two years of KTP, Kennedys also already has software in production, says Derrick - perhaps less surprising than it might be, as the firm is continually prototyping what appear to be its most robust ideas to add to an 'innovation toolkit'. "We went in with a pretty tight plan, and my job is ultimately to commercialise the work," he says. "A KTP won't necessarily of itself result in a specific product," he explains, but in this case it has introduced the statistical techniques to enable new "feedback loops" in the area of fraud prevention. "Beyond analysing the data, it's a move toward automating the first stages of an investigation, making assumptions and testing them collecting more datasets to explore potential relationships faster, and at scale," says Derrick.

Patterson at DWF adds: "In the initial application, you're encouraged to choose what they call a 'near market' concept – something marketable – rather than set out to prove a hypothesis. There are some other funding bodies for that." In fact, choosing and defining the problem is the first of several stages, which are validated as you go, he says.

"We chose to focus on data in the litigation and claims side of the business, believing that should reveal some opportunities and lessons for other service lines and processes."

Led by KTP associate Dr Mayowa Ayodele (a PhD in computational intelligence – who has previously studied data patterns in oil exploration), this one has resulted in a decision-support tool to help different teams support one another using the firm's collective case history in an analytics-based 'Alexa' fashion. "It's offering data about likelihoods to help a human being – more augmenting, than automating – to make a really good decision," Patterson explains.

But on top of that, DWF is using the KTP's structure to audit organisational strengths and weaknesses from a data perspective, not least of course the depth of its skills mix in different areas. "There are learnings for becoming a more data-

"The really valuable thing the LSE brings is the depth of rigour – the methodological core – to make it scalable. It's less likely to be thrown off by unexpected circumstances or future changes to the model."

Andrew Dunkley, head of analytics, BLM

driven organisation," he says – for example, surrounding the optimum size of your datasets (balancing the benefit of greater predictability with the regulatory challenges), striving for consistency across internal systems, and ensuring your data is caught correctly in the first place (by programme or person). As with other KTPs, the university also commits to additional academic support (here, Dr Nadia Papamichail, senior lecturer in information and decision systems at the Alliance Manchester Business School) - and Patterson talks excitedly of a new data visualisation lab about to open onsite.

Partnership in practice

Dunkley believes BLM has been able to move "a bit more quickly" as a result of there only being itself and the LSE in the room – and all our KTP cohort do admit the management time involved throughout shouldn't be underestimated.

Derrick had already bought into the advantages of KTPs from his former stint applying data analytics in the education sector, but cautions: "It's quite a big time commitment. There are lots of meetings between all parties to facilitate and attend, and it would probably be rather easy to allow the relationships to weaken over time, which would be a mistake."

Patterson at DWF agrees. "The best advice I can give is do not do it unless all relevant people internally are wholeheartedly committed, as I don't think you'd get past the first couple of stages. It's just remarkable that some have two, or even three, KTPs ongoing. I think they would either need to be closely related pieces of work, or else so diverse that they involve entirely different groups of people in the firm."

Taylor at Fletchers says: "There are also what they call local management committee meetings with Innovate UK at regular intervals to place

"Some will see extra merit simply in the rigour of configuring a diverse group from across the organisation to achieve certain outcomes within a fixed time."

Jonathan Patterson, managing director, DWF Ventures

some governance around ensuring the money is being spent in line with the agreed project brief."

Of course, the academic institution has its own interest in a robustly successful project. He explains: "They can road-test theory for its practical value, and will produce various papers for peer review, which can then be produced as evidence at the relevant point in the government funding cycle. They can link their learning to real-world productivity gains."

But, he adds, the application alone is not for the faint-hearted. "It took around a year just to secure the funding and recruit the project leader. You need to have a detailed project plan, including financial projections, and an ability to demonstrate how the aims will drive business productivity."

Patterson says: "There's a stage of less formal discussion with Innovate UK – where you'll probably find out fairly quickly if you've no chance at all – but our CFO was involved in their final analysis of our submission and said it was one of the most rigorous interviews he'd been through.

"Once signed off, we were almost panicking that it was taking a while to find the team we wanted, but I think choosing the right embedded specialist could be a 'pass or fail'."

At the end, projects must also be robustly evaluated against objectives. "We can't just evaluate ourselves," he says. "That document is also produced jointly with the university, and includes learnings we'd apply if we did something similar again, for the greater academic good."

All that said, if the prizes are so apparent, and the cash right there, why is the number of firms

KTPs - Knowledge of the basics

The Knowledge Transfer Partnership scheme enables a three-way partnership between a UK-based business of any size (or not-for-profit), an academic or research organisation (for example, this could be a technology organisation instead of a university) and a suitably qualified graduate who can lead a project. KTPs last between 12 and 36 months, depending on the project and business needs, and are part-funded by a grant from Innovate UK that includes the graduate's salary and cost of an academic supervisor.

Large businesses typically contribute around half of the cost of the project, small and medium-sized enterprise around a third.

Most academic institutions have a KTP office, which can provide support for building the business case and the application to Innovate UK for funding.

making this effort still in the single digits? Is this an example of legal's notorious – we had thought, shifting – reluctance to reach out beyond its walls?

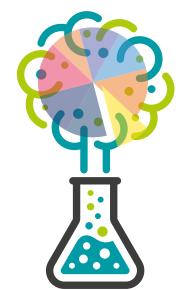
Certainly, one thing these KTP firms appear to have in common is a keenness to productise more for clients. Taylor at Fletchers points outs: "Regardless of a KTP's sector, your project could prompt further ideas for products beyond its original scope. It really does have the power to be a catalyst for change. In order to enable that, however, you need to draw a diverse team together, while potentially asking your people, including those working at the coalface, to collaborate in ways they haven't needed to before. So, there's some cultural change involved too."

And Patterson sees two possible schools of thought in the market. "One thing all the formal rules of engagement and strict project timetable definitely bring is discipline.

I think some will see extra merit simply in the rigour of configuring a diverse group from across the organisation to achieve certain outcomes within a fixed time.

"On the other hand, others may well not be interested in any of that, and feel they could achieve much the same and more easily in six months – that all they need do is go out and hire a data scientist or two of their own."

All the while, the competitive advantage in delivering new areas of analytics to different corners of the legal business just keeps on flowing.



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Briefing



Briefing is published by Burlington Media Group, the only media and events business focused on legal business services

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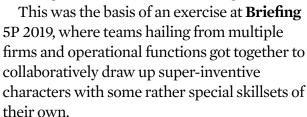




JOINED-UP LEGAL BUSINESS

Powers to profit

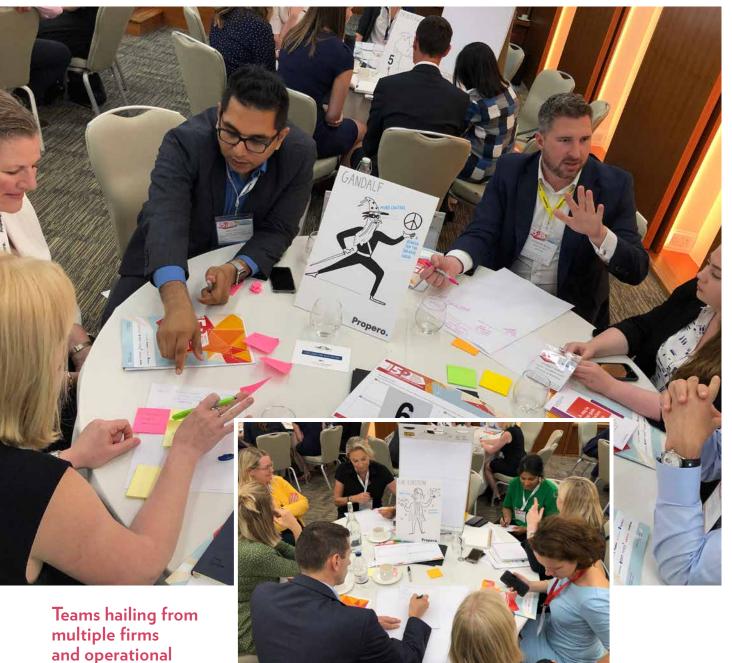
It's increasingly recognised that the concept of "serious play" can produce some seriously impressive business benefits. It's not just a question of unleashing some generic power of 'creativity'; it's taking people right outside of what are often routine, day-to-day challenges and frustrations to (hopefully) appreciate different perspectives with some fresher eyes. A dose of the purposefully strange can release thinking from the restrained and ingrained.



So, shapeshifting? Invisibility? Mind control? No problem. Now, how could such abilities possibly be used to drive actual business change?







leams hailing from multiple firms and operational functions got together to collaboratively draw up super-inventive characters with some rather special skillsets



Focus your 5P dials

Stage one is fully real world – taking stock of the current state. Each team of delegates assesses its collective experience and ability across each of the **Briefing** 5P management areas, namely:

PRICING AND PROFITABILITY

All about helping the firm make money – no bad thing!

PROCESS IMPROVEMENT AND PROJECTS

All about 'making things better'; joining the dots and engineering work to deliver new greatness.

PITCHING AND PRODUCTISATION

About winning the business and/or creating the products that meet clients' business needs.

OYAYAKI AKI

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Summon a business hero

Teams created a brand new being. They selected two 'superpower' style attributes (entirely non-legal), one new career/appearance (ditto), and furnished them with a name.

ATTRIBUTES:	APPEARANCE:
Super strength	Ninja
Mind control	Astronaut
Super speed	Scientist
Control/generate any form of energy	Pirate
Shapeshifting	Cowboy
Invisibility	Detective
Freeze/slow time	Wizard
The lasso of truth (force truth-telling)	Fairy
Invention powers (gadgets/futuristic technology)	Explorer
Control plant life to do bidding	Doctor
Control animal life to do bidding	Firefighter
Aquatic (underwater breathing)	Chef
Flight	Revolutionary
Telekinesis (moving things with your mind)	
Telepathy	
Rapid self-healing	
Sensing danger before it happens	
Stretching limbs to any length	
Passage through dimensions and parallel universes	
A simple beacon of the greater good	



Put them to work

The special characters are visualised before our very eyes (thanks to designer Louise French), and then it's time to give them a real-world challenge. Jason Dunning, principal consultant for innovation at DWF Consulting (below, left), set the scene and kept things on track.

- First, problem scoping. In smaller sub-groups, a 'problem owner' and a facilitator decide on a relevant business challenge. This is a so-called 'cup of coffee' technique, requiring just the time it takes to chat over a hot beverage ...
- The wider group discusses and selects just one challenge. Not every problem can be taken on at once, so which have you picked that needs solving now, and why?
- What would your character do? If their skills allowed them to fly, sprint or teleport into the picture, how would they tackle the problem before them? Come up with some seriously out-there solutions.

PRICING MAGIC

or team Gandalf, the sought-after formula was how to be super-competitive on price while also at least maintaining current levels of profitability.

It was clear to all that it wouldn't be a bad idea to leverage their powers of 'mind control' here. Or should that really have been telepathy, purely to gather competitive intelligence rather than literally change minds? In any case, of course this was a matter of understanding how and why their competitors behaved the way they did on price, but also how satisfied clients really were with pricing and how that perception of value could be subtly influenced.

However, Gandalf is also a beacon for the greater good – wanting value for the client through deployment of tools that can power up efficiency.

The leadership team should also be influenced by conjuring up a believably bleak picture of the unfolding situation if value is not addressed as a priority. However, the presented solutions need to be backed up by clear market knowledge and understanding of the cost base. And to convince clients, actions centred on improved communication, helped by elements of shared success and shared risk.

- Now, try to use the hero's 'super traits' as a direct metaphor for something that could be applied in the real world of a fast-paced law firm.
- Finally, consider how you'll convince either your senior leadership team or the clients that the idea is one that's really worth investing in.

It ought to have been helpful that delegates had earlier heard from Dr Grace Lordan, associate professor in behavioural science at the London School of Economics. She spoke of the brain's natural tendency to look for "something in common" with others. That's why conversations with others we like "seem successful", but it can of course hamper group-based efforts to challenge views and see things from different perspectives that could create more advantageous outcomes. "There are gains associated with being in the in-group – and if I'm already in that group, I'm

likely to be looking for information that suggests we've been right," Lordan added (confirmation bias). And none of this is helped by the fact in-group participants tend to dominate in, for example, broad-based 'brainstorming' discussions.

Indeed, that invariably includes the ultimate decision-maker, or at least the person most confident in their competence – whose MO is likely to be to inform the group first, then discuss, rather than facilitate free exchange from the outset.

Ultimately, there may well be an over-focus on the "broadly shared information" that groups and organisations have, simply because it is broadly shared.

What would your character do? If their skills allowed them to fly, sprint or teleport into the picture, how would they tackle the problem before them?

Earlier in the day, **Briefing** 5P delegates had heard from Brian Dunlop, who was brought into White & Case in the brand new role of director of strategic pricing.

He'd underlined the vital role of harvesting the right data when addressing the challenge of improving low margins. There are no telepathic powers involved here sadly; however, he'd introduced a pricing taskforce that had broad experience of serving companies in multiple sectors, not just professional services. The firm also built and launched its own pricing tool.

"If you don't have the right metrics, you won't see the ROI from the efforts," he said. Today, pricing decisions at White & Case always include an element of prediction of profitability levels, and compensation is tied to a success metric of "revenue-plus-profitability".

Internal collaboration and consistency have also both been key to pricing efforts. This shouldn't be positioned as "business support" work, Dunlop said. The partnership needed to know what was happening and why, and a new pricing committee for oversight comprised both partners and business services people.



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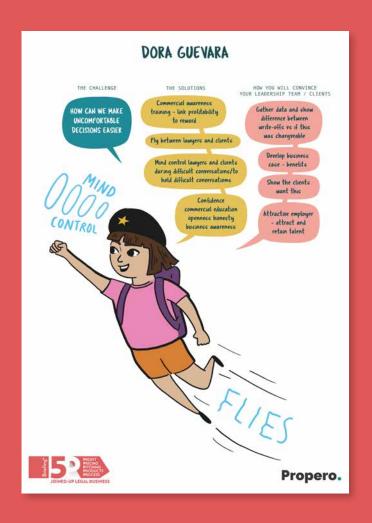
CONVERSATION STARTER

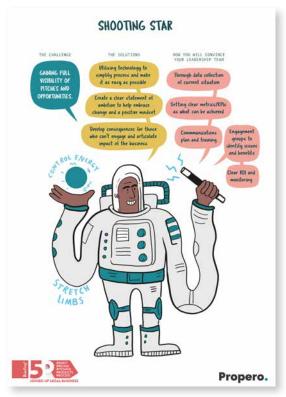
Team Dora Guevara also determined to take on the pricing powers that be. And they too were worried about losing work to competitors, but the prime challenge picked was how to make "uncomfortable" discussions about price easier during business development.

An ability to fly between individual lawyers and their clients would certainly serve to break the ice in these meetings – plus, make for less cumbersome travel schedules – while a dash of mind control could even guide the lawyers' conversation tactics in real time, generating confidence in negotiation as well as the "openness and honesty" to have frank discussions about value.

Once again, data had a big part to play when transitioning over to the real world of embedding pricing capability and awareness – importantly, demonstrating the scale of the difference between regular unhelpful write-offs and the chargeable equivalent to put this challenge in perspective. And the business case for the investment in pricing education should include the appeal that would hold for prospective new talent as well as clients.

The business case for the investment in pricing education should include the appeal that would hold for prospective new talent





Shooting Star wanted to achieve "full visibility of pitches and opportunities". They'd investigate some process-simplifying tech, but also create two other core things - a "clear statement of ambition" to lead on building positivity for change, but also "consequences" for those who can't or won't engage. Fiery stuff for non-stars.





SWIMMING IN (CLEAN) DATA

The crew of Captain Bluebeard were on an (aquatic) voyage of data discovery – meaning, one assumes, there was no need to hold their collective breath for too long waiting for the right outcome.

Do we glimpse a theme emerging from the 5P management depths? Bluebeard was after an elusive central hub of client information, which all departments would be able to access when needed, without awkward 'overlap' – and naturally for the greater good of the firm as a whole.

They decided that a new best-practice business team would be launched to act as champions of more effective data process, improving the ease and speed of reporting, as well as its capture and cleansing.

And making the case to the leadership? Take your pick. There was the speed of access for faster decision-making, as well as more efficient utilisation of people and subsequent productivity. More reliable data should also be able to anchor a better system of competitive benchmarking.

The day at **Briefing** 5P 2019 had opened with Shamus Rae (pictured, left), head of innovation, digital labour and cognitive transformation at KPMG, discussing how it had committed to lead on moving over to a set of open data models, encompassing both structured and unstructured data, to enable more efficient automation for multiple service providers in future. He explained that the big block on new entrants into the audit market to date had been access to the volumes of 'Al' training data, and this is also a problem for law firms. In fact, firms in this space have been spending large sums on creating their own data-extraction tools, whereas a common platform would ease the burden on both the providers developing these tools, and the clients, which would only need to install one.

A fundamental idea behind this work is that "systems won't have to do so much guessing about what data is around", he added. However, a common data model could also help to build new products for different clients with different needs, spurring innovation, as well as lowering cost and barriers to entry, via greater scrutiny and transparency of the results.



A new best-practice business team would be launched to act as champions of more effective data process, improving the ease and speed of reporting, as well as its capture and cleansing



Che Einstein visited some different dimensions in their quest for a powerful pricing strategy. They were drawn to training to support persuasive pitches, a pricing tool for building more accurate work estimates, and some hard data that could be used to produce a backable plan.



Merlin M.D wants to help a problematic partner see the error of their ways – and change them. So, they'll shapeshift into said partner's shoes, heal any ego damage, and travel forward in time to show the long-term benefits of changing unhelpful behaviours today.

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SPELL WISHERS

"How can we avoid a 300% write-off? How can we record our creative processes?" summarised the enigmatic Merco Potter. They wanted to ensure four things in reality, so no simple trick – a happy client after a piece of work, 100% recovery of that work in fees, repeat business out of that good client experience, and the right lessons learned for future process improvement.

The 'magic' happens in "turning back time and starting from scratch" on the process of project management. Reading the client's mind puts in another appearance – and then it's all about planning what should happen, and when, in line with that insight.

In reality, this all points to the rigour and knowledge, but also the ability to change, using legal project management power. Winning the client over would require an element of educating them, as well as ensuring more scoping transparency, while a toolkit of guidance and templates should be made available for the internal teams.

Communication was also the cornerstone of the day's 'Realities of legal service delivery' session, led by associate director LPM EMEA Kevin O'Sullivan and legal project manager Tom Platt from Baker McKenzie. "The work of LPM sometimes doesn't draw on other experts as much as it should," they said. "Have the right people in the room to answer the client's questions, and have the conversation with the CG about their requirements early." Another communication challenge is RFPs that initially don't contain enough detail; they may need to be broken down further.

And don't forget to invest in building a world of internal trust at the same time. "It's only natural that the legal team really wants to get on with the work itself – spend too long on the planning, and you can also start to lose the trust there. The reality is partners can have doubts about involving LPM, plus find it hard to change how they work. Sometimes trust in new ways of working needs building more slowly."

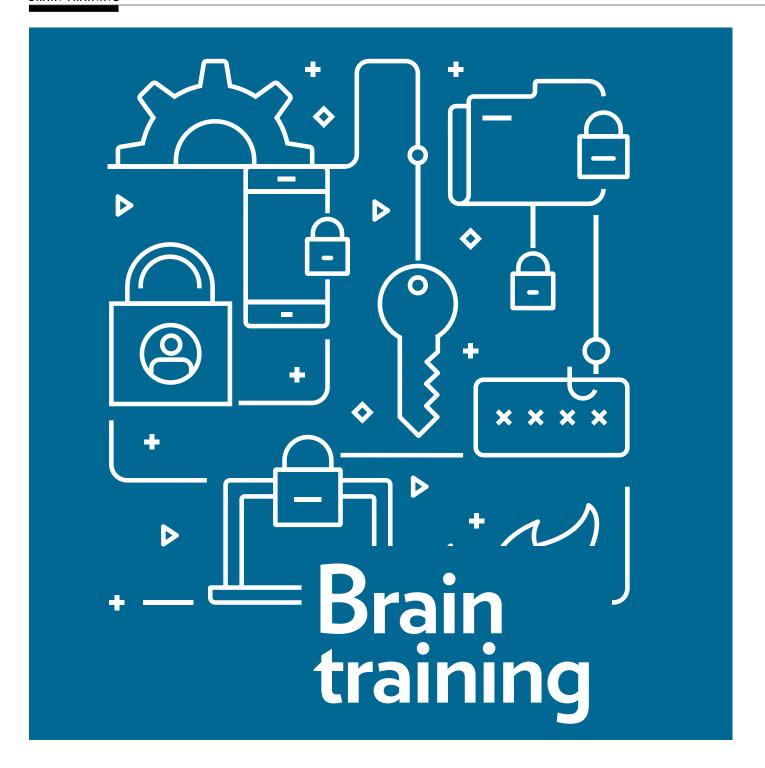


Winning the client over would require an element of educating them, as well as ensuring more scoping transparency



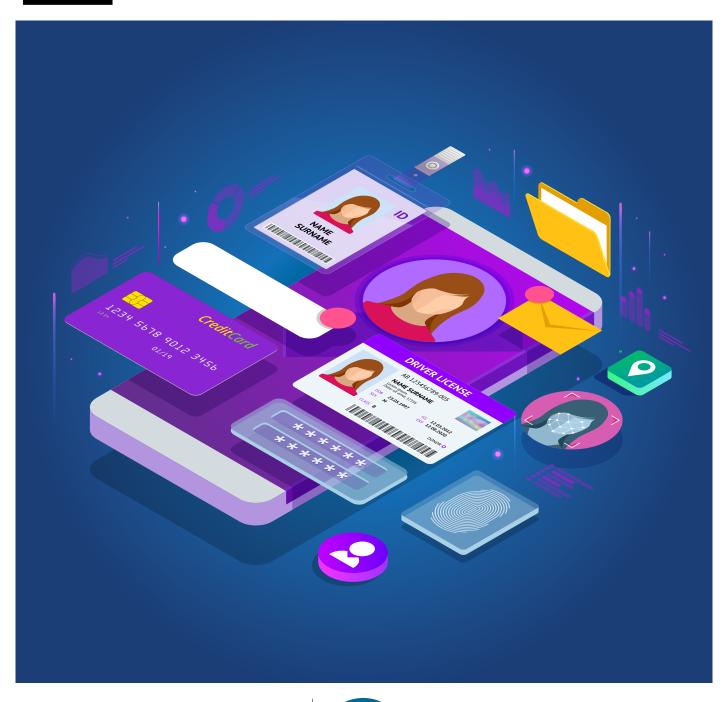
Marie Curie likes to be the expert – their challenge: to become the "go to" provider, on "speed dial" for any and all requirements, by taking trust in the client partner to another level. They'll mind-read both clients and competition to get there, then boldly rebuild from the ground up.





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Collection pointers
Garry Mackay, CEO at
Ashfords, explains the
thinking and process
behind the firm's new
Digital Legacy platform



MANDS ON

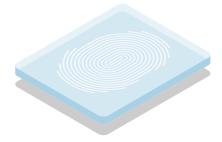
Collection pointers

Garry Mackay, CEO and technology team partner, Ashfords, explains the key considerations when the firm set out to design a new complementary client service strand

e live in a world where our lives are being managed ever more within a digital structure. Subscriptions for everything from the newspaper we read, to the audio books we listen to and the television we watch, are controlled through this virtual haven. Photos are stored in the cloud, our views and memories are played out on social media and details about our assets, liabilities, financials, property and wealth are often no longer

represented and controlled by physical paper but instead are maintained and monitored through an online passworded account.

There are inevitable debates about whether the above constitutes 'progress', but what is certain is that the move to a world that's less about the tangible and more about the intangible is relentless. There are advantages to all of this – a reduction in the need for paper is an environmental blessing, our choice and access to entertainment is boundless, and



our ability to invest, purchase and even gamble is all easily done at the push (or just touch) of a button.

For all of the above, however, there is a downside. The ease. and lack of paperwork, with which we can open a new bank account, set up a new subscription, or buy and sell physical and non-physical assets, means that when it comes to untangling what we leave behind when we die it can become emotionally and financially daunting for those having to administer our estates. It was against this background that in May 2019 we launched the Ashfords Digital Legacy platform.

We took the strategic decision to embrace innovation in the way we deliver services to our clients. Promoted as "complementary products and services", the premise was and is simple – we wanted to develop non-legal services that support our core business as a law firm and provide clients with the tools and information to ensure that we deliver high-quality, cost-effective and efficient legal services. We had originally used the word 'inter-related' to describe this direction, but lawyers being lawyers of course we had to debate whether this adequately reflected what we were trying to achieve!

The cost and time involved in administering an estate have not been assisted by the digital world we now live in. Living our lives in an online environment has We wanted to develop nonlegal services that support our core business as a law firm and provide clients with the tools and information to ensure that we deliver high-quality, costeffective and efficient legal services

> exacerbated the age-old problem of having to try and untangle a person's life after they have died. Paperwork (although it was disorganised) has now been replaced by a vacuum, laptops can't be accessed as we become increasingly concerned/ paranoid about password security, bank statements no longer exist to point us in the right direction, share certificates are electronic, subscriptions are managed through online systems, and even physical assets are lost as receipts and guarantees are scanned into the ethereal cloud. Remember the story of Gerald Cotten, who died leaving millions of dollars worth of cryptocurrency that couldn't be accessed because he failed to leave the password ...

> As a consequence of the above, managing an estate has become more and more complex and expensive as we seek to find and realise assets and settle liabilities – often in an

environment of emotional distress. We developed the Ashfords Digital Legacy platform to address this overarching challenge, and with a number of objectives in mind. Namely, it:

- Needed to go beyond just data capture and include functions that encouraged and promoted continual use
- Had to be easy to use too many systems are developed without any assessment of the user experience
- Had to differentiate between the user keeping details up to date and the person accessing it to administer the estate
- Had to have safeguards (beyond passwords) built in to prevent misuse.

Beyond data capture

Turning to the first point, there are plenty of systems that capture data. Whether you use Dropbox, Google Drive or the countless other 'storage' environments that now exist, options for simply storing data are numerous. However, what we found lacking was a system focused not just on the here and now, but also aimed at helping the user to make life easier for those that were left behind after they died. With this in mind we identified eight core areas connected to the parts of this process, namely:

- Basic information such as national insurance details, donor position and current and previous addresses
- Accounts to enable a user to

identify an account and classify it (for example, Netflix – online subscription)

- Funeral arrangements
- Documents to allow you to upload copies of any key documents (for example, your will)
- Locate enabling you to set out where items can be found (for example, original guarantees)
- Messages to enable people to leave messages for loved ones if they wish to
- Details of executors
- Last but not least a 'bucket list': a useful area to simply capture things that you wanted to, and hopefully did, achieve.

Make it easy

How many times have we downloaded a new app or visited a website only to dismiss it in frustration because of its lack of user accessibility? Amazing tools and functions can be developed, but if we struggle to use them it's a wasted effort. With this in mind, we set out to develop the platform with ease of use at the forefront - simple navigation with clear descriptions of functionality. User testing took place throughout (we even used my mum!) and inevitably a lot was changed as we went. We got things right, and we got some things wrong. For example, much to my surprise, some users didn't realise that the logo can usually be pressed to return them to the home page – as a result, we added a standard home page button as well.

Differentiate between user and executor

One of the major areas of discussion was how to ensure the system reflected the user's understanding of their assets, liabilities and wishes. It could not be changed or altered by anyone accessing it after death. With this in mind, we developed the system so that, once an executor was granted access, this was limited to read only. Documents and information can be downloaded into a spreadsheet with ease, but the data held on the legacy platform is locked. In addition, we wanted to help the executor by incorporating a separate facility that enables them to open a memorial book for people to leave messages to be read at the funeral or maintained as future memories.

System safeguards

We live in a world where we are rightly concerned about digital safety. While placing more information online undoubtedly has advantages, it

We set out to develop the platform with ease of use at the forefront – simple navigation with clear descriptions of functionality. User testing took place throughout



also exposes us to the evolving criminal world of cyberattacks and hacking. External penetration testing has been and will continue to be - a major part of our safety checks, but we didn't want to rely on online security procedures alone. Executors receive a link and message about the site when the user enters their details, but access to it after somebody's death requires a secure code - and it is here we also built in manual checks. We carry out a manual check to ensure the executor has the right to access before they are then sent a link to the read-only site.

What happens next?

The Ashfords Digital Legacy platform is currently in soft launch, but we are already working on version two. New functions are in the pipeline, including allowing a user to give an executor ongoing and quick access to certain information, the integration of individual platforms to share information between spouses, and the capture and creation of authority letters for the executor to use to show they have permission.

Moreover, as already stated, Digital Legacy is just one piece of our strategy to develop complementary products and services. We will soon be launching a number of business-focused tools, including to help with knowledge capture, online training and aspects of regulatory compliance. Watch this space.



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CRM the truth

Ben Roles, director of technical solutions at **Introhive**, says CRM should manage to adapt to new strategic chapters

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INDUSTRY INTERVIEW

CRM the truth

Ben Roles, director of technical solutions at Introhive, discusses the art of the possible with client relationship management systems and how firms should approach adoption and creation of value outcomes

growing trend in the legal sector to apply insights gained from technologies to business decisions means that firms are finally getting to grips with interesting stuff: their own data. Or are they?

Ben Roles, director of technical solutions at Introhive, says having a client relationship management (CRM) system is a no-brainer. "Firms want to track the knowledge, communications and activities active across the business. But there's much more to CRM platforms that isn't being leveraged effectively."

Roles says that, with good CRM information, firms can score the strength of their relationships with clients and other key contacts and drive those touchpoints back to the CRM for analysis. Moreover, he says, this data can then be used to truly drive the direction of the organisation.

Roll over Rolodex

The irony is that the legal sector has always understood the importance of CRM, says Roles, but, unfortunately, the implementation of technology has not been overly successful.

CRM in many law firms is still a glorified Rolodex, he says. "It's just a list of accounts, contacts and often very stale data. It may have been accurate on day one but by day 250 it's well out of date."

So, how should firms approach CRM implementation to help drive results? Roles says IT teams need to be close to real end users to steer what's being developed. This leads to incremental delivery, as you trial, fail and fix – CRM capability delivery becomes more agile, he explains.

Adaptability will become a big competitive advantage, Roles says – as technology and people's behaviours change, so too might the business's

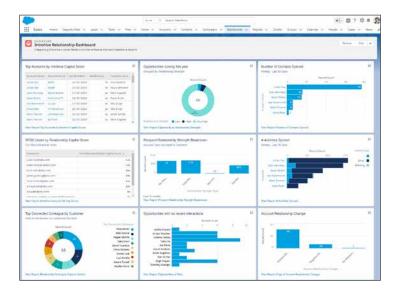
goals and culture.

"Maybe you've gone from being B2C- to B2B-focused, or the firm is taking on more tax advisory as opposed to property. If you had your techies build systems based on one trajectory in the old model, when the tides change you won't be able to move so easily."

A CRM is not a one-size-fits-all system, he says. Those that have something to gain from it range from senior management to marketing and business development, but for those functions to thrive on the output they need consistent and clean input, which comes from fee earners and paralegals, who are probably less interested in the system.

Roles says: "Buying a CRM doesn't necessarily mean buying a single package either – other things can form part of the mix. Although the end user sees a single, unified platform, the underlying technology can be pieced together from different components. Introhive, for example, will help you figure out how to get what your paralegals and fee

Below: the Introhive relationship dashboard







earners are doing into the CRM.

"I still see a lot of traditional manual entry happening in firms when it could easily be automated. Remember, the best output is going to come from the biggest set of data input."

Pretty picture

A good CRM should bring all of that information together, Roles says, and present it to senior leadership teams, partners, the board, and so on, to help drive business decisions – again though, recognising that different user bases may want output in different forms.

"If your partner is going out to see a key client, how do they get a unified view of what's going on with that client account? They might have to log on to a couple of disparate systems to check communications, engagement and any updates on the matter. That's not really a natural way of working."

Technology such as Introhive has the capability to bring in data from across the firm's platforms and generate pre-meeting reporting automatically. It boils down to recognising that there are different ways to present the insight and identifying the one that will resonate with your audience, he says.

He adds that it can also help firms understand just how siloed their technologies often are – potentially reflecting parts of their business.

From there, even more doors open. Roles says data can be used to move the firm in the direction it wants to grow or, even better, make predictions for future engagements that feed into business strategy.

MAGIC MOMENTS

Making contracts

Clyde & Co's tech consultancy recently launched a 'connected parametric insurance contract'. But what is parametric insurance and what's it connected to? Co-founder of Clyde Code Lee Bacon explains the new smart legal contract



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amount of hype around legal tech, in May 2019 Clyde & Co's technology consultancy, Clyde Code, made a significant move towards productising some of its tech learnings, as it released a 'connected contract' for parametric insurance providers. If you're unfamiliar with it, parametric insurance requires the insurer to pay out when an external event occurs.

Produced in collaboration with technology company Clause, which develops infrastructure for smart legal contracts, the contract is a partly automated digital agreement, or 'smart legal contract', that's linked to external software systems and data sources in order to automatically execute the terms of a parametric insurance contract. Co-founder of Clyde Code Lee Bacon says it's the herald of a more mature approach to legal technology, both in the broader market and for Clyde Code: "There's been a lot of froth and hype in the last few years in this area, but what we're seeing now is a lot of proof-of-concept work in specific projects."

regardless of actual business losses.

He explains that it developed out of Clyde Code, launched in 2017, itself an outgrowth of the firm's wider innovation push. While he and fellow partner Nigel Brook had been advising clients on 'smart contracts', blockchain and related technologies since 2015, it soon became apparent that accurate consultation required a comprehensive understanding of the implications.

"You need to understand both the legal and the technology issues," he says.

But why is this the fruit of their endeavours? Although it's been around for a while in an analogue format, Bacon says that parametric insurance is a good testbed for the technologies Clyde Code and Clause have been collaborating on, because it doesn't require any subjective assessment of damages incurred.

In the context of the digitised connected contract, premiums are calculated from a data-driven index. chosen in advance by the parties involved. There could be a number of indices driving it, but the model contract created by Clyde Code is tied to weather conditions that stop the sun shining on a solar power farm, with meteorological data fed directly into the digital contract. "There's no subjectivity – if the index is weather data, it's a case of X happens then Y happens, and that's nice and binary. It's made for automation," Bacon adds.

Bacon says that Clyde Code's new product has deliberately been labelled a 'connected contract', both to emphasise its connection capabilities and differentiate it from the somewhat nebulous term 'smart contract' (see box). But, he also says its utility is currently limited by the lack of a supporting 'ecosystem'. "The real value won't be utilised until there are proper networks in place – although there are market-wide platforms coming, like B3i." The latter uses distributed ledger technology, commonly known as blockchain, to provide a platform for

A 'smart legal contract' is generally seen as a digitised agreement with connections to external digital infrastructure and data sources, which is able to execute the terms of the agreement upon the occurrence of a given event. A 'smart contract' is merely code that can execute transactions - this may be a component of a smart legal contract. The latter can also sit on an underlying platform, like Clause, which allows it to incorporate other technologies. These may include natural language processing, which would allow changes in the text of a contract to alter the underlying code that governs its actions, and distributed ledger technologies, such as blockchain.

smart legal contracts.

Although the connected contract signals a further move towards legal and technological integration, Bacon says that it doesn't signal Clyde & Co's intention to become a technology company. "It's important for lawyers to have an understanding of how the code is structured, so that, as with any other sector, you can provide legal advice with knowledge of the relevant framework - but it's not our skillset. However, clients come to us to draft a normal contract, so why wouldn't we provide the same service in a code environment?" he asks.

As networks develop, Bacon sees a myriad of possibilities for similar products: "We're just at the beginning of exploring how these technologies can be used."

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