

TEI LINER Some best bits from **Briefing** TEI – transformation, efficiency, innovation GO SHAPE Jeff Langlands at BT Enterprise on a change of responsibilities BRAIN EVENT Does work to increase cognitive diversity lead to measurable results?



Delivery of the decade

2020 aboy – so we finally get to see the fully settled shape of the law firm of the future, right?



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Editor's letter



t's finally, finally here, readers. No, I'm not talking about the final issue of this magazine this decade. I'm not talking about the office Christmas tree (none of that before 1
December, please). I am, of course, referring

to the Solicitors Regulation Authority's new standards and regulations – a lighter bedtime read than they used to be by all accounts, but with some significant additions.

After all the consultations, solicitors can now work in non-regulated businesses, or freelance alone, the argument being this'll make it easier for you or me to use them if we need to (the SRA says only one in 10 people currently do so when a legal problem comes along).

Will the lawyers themselves go for it, though? There's an obvious link to the push for more and more flexible working, but many have pointed out this is no walk in the park as a career path. In any case, the SRA has committed

In this issue we take stock of the law firm of 2020 – aka 'the future' - of we now see before us

to an independent evaluation programme that takes us up to 2025.

Back to us: in this issue we take stock of the law firm of 2020 – aka 'the future' – we now see before us. An element of more flexible resourcing has of course

been a significant introduction to the strategising workload over the last decade, with several law firms now striking agreements with other players to deliver it.

And then there's incoming technology in all its glorious forms to shake things up. In October, it was interesting to see the Legal Services Board suggest legal service regulators ought to catch up with other sectors in better supporting firms to explore using distributed ledger technology (don't sigh ...). The LSB's own research finds that just 2% of legal service providers are using 'blockchain', and only 5% plan to make, or have already made, investments in legaltech companies.

And in early November, Reed Smith – one firm Jem Sandhu speaks to for this issue – secured its ABS licence. Tamara Box, Europe and Middle East managing partner, explained: "We are future-proofing our business and now have the agility to immediately seize new opportunities – in tech, big data and other specialised consultancy services." A model for the law firm of 2020? Let's see.

RICHARD BRENT EDITOR-IN-CHIEF

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Changing the conversation

"The job is just as much to get that contract signed as quickly as possible."

Jeff Langlands, general counsel, BT Enterprise





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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If the new fits

t's very much a case of in with the new at many a **Briefing** firm, as we all count down to the big first day of a brand new legal decade. **Ashurst**, for example, has announced the launch of new resourcing model Ashurst Advance Reach, which will source contract lawyers to join practices for both workload peaks and client secondment purposes – initially within the UK and Australia, but to be rolled out as a global platform in time. Flexible resourcing is nothing super-new perhaps, but this deal is striking for involving collaboration with not one but two New Law

players, Cognia Law and Elevate.

Iain Brown, head of alternative resourcing in the Ashurst Advance area, commented in the press release: "By giving our practice groups access to high-quality lawyers on a flexible basis, we can source required skills on demand, and maintain a productive, lean business model, without sacrificing our ability to respond to spikes in demand from our clients, at the same time as maintaining the wellbeing of our lawyers when workload increases.

"We see collaborations between law firms and innovative legal service providers like Cognia Law and Elevate as strategically important in creating value for our clients across a broader spectrum of their legal needs and we believe such collaborations will increasingly define the future of the legal market."

November has certainly been a busy month for shapers of the new at this shop – the firm welcomed 36 companies to its three-day fintech accelerator programe, and it's also S collaborating with **UnitedLex** on a new investigations solution (compliance, discovery and informationmanagement services), initially for Germany. Ashurst Advance leader Chris Georgiou said: "This first-of-itskind collaboration in Germany with one of the world's

kind collaboration in Germany with one of the world's leading alternative services providers is another example of how Ashurst Advance sees collaborations as being central to how we provide value to our clients." A pattern seems to be emerging ...

And there's change to a rather more 'traditional' area over at **RPC** – the good old partnership. With

immediate effect, the firm says it has moved from being an all-equity one to including both fixed-share and salaried partner roles.

Managing partner James Miller said: "Our all-equity structure has served us very well, but we know that the bar to achieving partnership here has been seen as very high. High standards are a good thing, of course, and that won't change, but we saw the need to offer our people alternative career destinations, with titles that reflect their seniority and value."

Finally, **Herbert Smith Freehills** has established a new Digital Law group to work closely with its legal operations and alternative legal services teams, and also to 'upskill' people across the board to deal with developments in digitalisation, such as those nifty selfexecuting smart contracts.

CEO Mark Rigotti explained: "Because digital expertise is increasingly 'business as usual', we want as many of our lawyers as possible, including graduates, to participate."



Briefing DECEMBER 2019/JANUARY 2020

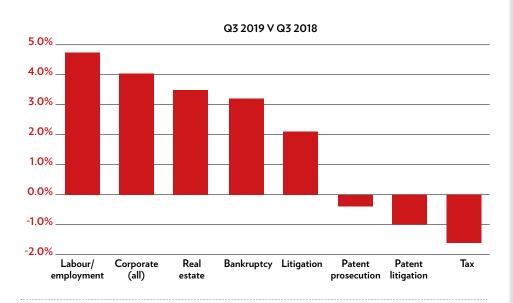
legal careers now in place at RPC – full equity partner, fixedshare equity partner, salaried partner, of counsel and senior associate

Options for senior

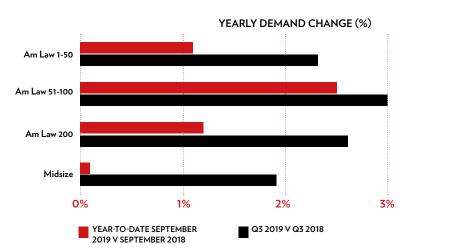
Database POWERED BY PEER MONITOR

As we say goodbye to 2019, what do the latest demand figures for the third guarter suggest about the state of the US legal market?

AMONG STRONG OVERALL DEMAND GROWTH, IT'S ANOTHER MIXED PICTURE BY PRACTICE AREA



DEMAND OVERALL SHIFTS TOWARD THE BIG LAW MID-TIER



PEER MONITOR® PERSPECTIVE In the US legal market, the third

BRIEFING DATA BASKET

quarter of 2019 saw some of the strongest demand growth since the end of the recession almost a decade ago – it was up 2.4%. Continued rate growth also contributed to strong top-line growth. However, revenue increases were also tempered by a rise in expenses and decline in productivity.

In terms of practice areas, litigation continued to be a key growth driver for much of large law – gaining 2.1% - but transactional practices were mixed. Corporate, real estate, labour and employment, and bankruptcy all showed gains, but tax and patent practices dropped in terms of demand.

There's also a notable shift in demand toward the mid-tier of the large law firm market, or outside the 'top 50'.

OVERALL MOVEMENTS IN Q3

74% Demand growth

% Productivity

3.7% Rates growth

1% Direct expenses growth

4%

The Peer Monitor Index is composed of the global data of 160 US-based law firms, including 52 firms from the Am Law 100. For the full Q3 report, please visit: http://ask.legalsolutions. thomsonreuters.info/LEI-Peer-Monitor-Index-Q3-2019-Report

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SPEAK UP

Trend-betting for 2025

A range of trends will cause the law firm of 2025 to start to look very different from the law firm of today.

• Clients Clients will only get more demanding in terms of the quality, consistency, timeliness and price of the services they buy. In-house legal teams are under extreme pressure to perform and demonstrate their cost effectiveness. Firms that do not get with the programme will be out of the programme. • Lawyers Understandably, the current generation of lawyers is increasingly unwilling to do mundane and repetitive tasks from which they learn nothing, wasting their evenings and weekends in the process. They expect firms to embrace new ways of working and technology. By 2025, many of this generation will have senior in-house roles or be partners in law firms. They will be in a position to demand and implement such change.

• Legal technology The last five years have seen an explosion in new legal technology coming to market. Some may be overhyped, and others a solution in search of a problem. But by 2025, legal technology products that are far more user-friendly and clearly operational will be available, complete with a compelling use case. This doesn't just apply to existing products, such as e-discovery and intelligent drafting tools, but also to a range of analytics tools for mining both law firm and publicly available data to provide far more robust and consistent advice and clear guidance as to the likelihood of success of any particular approach, whether negotiating an M&A transaction or conducting litigation.

So, what are the impacts of these building trends?

• **Professionals** Professionals other than lawyers will have an increasingly central role in their firms. Whether technologists, programmers, data analysts, pricing specialists or legal project managers, they will be actively involved in the provision of client service. Gone will be the distinction between lawyers and 'nonlawyers', as though the latter were some form of swamp life.

• **Clients** As the clients demand more, the amount of real-time connection between an in-house team and its external lawyers will increase. Even more time and energy will need to be devoted to an understanding of the client's business and strategic issues, not just their legal concerns. Relationships will become broader, and more embedded in the client, or they will fail.

• **Partnership** As firms adapt to new realities, the partnership model will change. Equity partnership will be reserved for those who are consistently able to develop and maintain client relationships. The traditional pyramid may change shape, as technology and other delivery models impact the leverage model. Professionals who aren't lawyers will be seen and heard at the top table.

Not quite the brave new world then, but an exciting opportunity for some players, and possibly a nightmare scenario for others.



INVESTMENT TO BE?

What are the top investment priorities for finance leaders across sectors over the next five years? Mergers and acquisitions 0%

Office and infrastructure 15%

Automation 18%

Organic growth 33%

People 33%

Source: New economy: Investing in automation - BDO survey of 200 CFOs and finance directors across the UK in September 2019





Tony Williams Principal Jomati Consultants

Iomati_Consult

By 2025, legal technology products that are far more user-friendly and clearly operational will be available, complete with a compelling use case

88%

Of professional services firms say they have automated 'all or part of a key process' in the past year

Blooming relationships



Patrick Hurley Vice president, customer advocacy Thomson Reuters Elite

오 @TPatrickHurley

For more information, visit:

It's a true luxury in this day and age of constant emails, conference calls and reacting instantly to every crisis – big or small, perceived or real – to spend an entire day just noodling around on stuff with a group of smart, seasoned and respected leaders

hese words have been written down on an aeroplane Ι somewhere over the Atlantic, as I'm on my way to a meeting with Thomson Reuters' client advisory board (CAB). We get together in person twice a year for two days of lively, informative, insightful and often hilarious discussion on a wide range of topics - all intended to help inform our strategic direction. This group of 10 finance and/or technology leaders represents a varied cross-section of our clients across the globe, and they've really gelled as a group over the last five years since the CAB was initially launched. A few members have had to drop out over that time as they left their firms for other roles, but new members have filled those open slots and quickly integrated into the group. In fact, it's now sometimes hard to remember who's new and who's a founding member.

These four days of meetings, every spring and autumn, are among my favourite days of the working year (if it doesn't involve skiing it could never make it to the number one spot!), and I feel very lucky and privileged to be part of them. It's a true luxury in this day and age of constant emails, conference calls and reacting instantly to every crisis - big or small, perceived or real - to spend an entire day just noodling around on stuff with a group of really smart, seasoned and respected leaders in our market, all of whom come together for the sole purpose of making Thomson Reuters better. These are clients that truly understand the benefits of having strategic partnerships with key suppliers, and we are sincerely grateful for their commitment and support, and for the invaluable guidance and direction we receive from them.

We often try out ideas on them - new product concepts, marketing campaigns or communication strategies, for example. Equally, they bring ideas to us sometimes very explicit and wellformulated, sometimes just a basic concept of what they'd like to see us do. But it's most exciting when you experience the germ of an idea start to form, right there in the meeting ... it's almost like watching the time-lapse footage of a flower blooming in a nature documentary. It starts as a tiny, plainlooking, hardly noticeable bud, and then gradually starts to unfold, colours start to appear and then, more and more rapidly, it bursts into a thing of beauty.

Did I just compare strategic innovation in legal technology to the miraculous wonders of Mother Nature? Ok, maybe it's a bit of a stretch, but the visceral wonder and gratification of witnessing such things are similar in my mind! Or maybe I just need to get out of the office and into the countryside more often ...

Nevertheless, it's not only our CAB members who collaborate with us in such ways and consider the relationship between our organisations to be most mutually effective when treated as a partnership. Thankfully that's the rule, not the exception. Our CAB meetings simply foster an environment of condensed and deliberate focus on that relationship framework.

These meetings make me grateful for all of our clients and the many years – and often decades – of partnership I, and our business, have enjoyed with them. So, thank you to all those clients who are reading this. We are lucky to have you as our partner, and we will never take that for granted. ►

COMMENT

Call for celebration

A s the festive season is upon us, it seems a good time to reflect on the importance of supporting one another. But it has to be said that generosity is not only a good thing in itself – it can also be good for business.

It's now the fourth year that Mitie will not be holding a management conference, but instead using our annual event as a celebration of the diversity and capability of our staff, customers and supply partners. We're looking to answer the question: 'What can we achieve if we work together to solve our challenges?'

This year we're holding our 'Gathering' near Windsor, and our theme for the day will be enabling exceptional service supported by technology. We run it as a tripartite event, supported by customers, suppliers and the Mitie site-based management teams. The goals are to answer some of the challenges facing the business services community, build closer working relationships across customers and supply chains, and hopefully have a bit of fun along the way.

Mitie manages the overall agenda, but the day's content is guided by client issues and contributed to (and presented) by suppliers, customers and our own SMEs (subject matter experts). It's a truly collaborative affair.

Over the last 12 months, our customers have seen a continuous, steady shift towards a technology-led approach to service provision within the business services sector. The need to innovate is being driven by several factors, including budget pressures flowing from macroeconomic issues, as well as a continued push to explore new ways of working.

We've also seen an urgent need to transform traditional service operative

roles into more fluid and multi-skilled positions: ones that can add value across customers' growing information and data requirements. These challenges can't be resolved through a one-dimensional approach, so they need stakeholders' power to drive and embed progressive and long-term cultural change.

To really drive home the diverse-team ethos of the day, we organise a teambuilding event in the afternoon. We pull together teams of suppliers, customers and managers to pit their wits against other teams to win ... well, frankly, a cheap, and cheerful, gold medal!

While this event is tremendous fun, it does lead to new business relationships, and helps us break down barriers among customers and partners. It often creates team dynamics that then further develop our tripartite approach to problem solving in the day-to-day business.

The future of business services will depend on us attracting and retaining highly skilled people through the provision of interesting, varied and challenging career opportunities. Instead of employing operative-level roles, we see a future where our SMEs are multiskilled and support customers through numerous technologies and interfaces, enabling exceptional service.

Any good event must end with a bit of a celebration, and the Gathering is no exception. At the end of a whole day of 'hard work', we get together to recognise the people who have helped our customers deliver on their strategies and goals. For me, this is the best part of the day – it's where we show appreciation for the people who make it happen.

And there may be a glass or two of bubbles to round off the day as well ...



James Gilding Managing director Business services Mitie Document Management

🔊 @JGilders

For more information, visit: www.mitie.com/services/ document-management

Our customers have seen a continuous, steady shift towards a technology-led approach to service provision. The need to innovate is being driven by several factors, including budget pressures flowing from macro-economic issues, as well as a continued push to explore new ways of working





Christopher Young Principal consultant and business development director Pinnacle

🔊 @PinnacleOa

For more information, visit: www.pinnacle-oa.com

Firms need to make better decisions internally, and with their clients, and to do this they need to look at data through the prism of the three Cs – consistency, currency and completeness

TO THE POINT

The data today

P innacle has always had a strong flow of business intelligence work, typically focused on finance and providing pure financial data. But increasingly we're seeing other business services teams seeking insight through tools such as Microsoft's Power BI.

The questions asked are slightly different and data-quality levels have a different impact on these teams. As a result, firms need to address some of the known issues with data to give nonfinancial teams what they're looking for. The most important master data attributes will vary by business services team. For the analytics to be reliable, master data therefore needs to be captured easily and consistently, and working practices that can result in duplication need to be eliminated.

Take the common example of duplicated client data. From a finance department perspective, this is solved by adding all related clients together to give the total billings for the group. Simple.

But what about from a marketing perspective? If there are duplicated clients, average client values are reduced. From a collections perspective, teams may be making three or four calls throughout the day to chase up outstanding accounts receivable – and, of course, understanding of true accounts receivable exposure suffers. Firms might be unlikely to fully escape duplicate clients, but they don't need duplicate entities.

From a risk perspective teams will be checking multiple clients and entities, multiple times – that's not just costly, it generates an inconsistent picture for regulatory authorities. Best avoided. From a service delivery point of view, life becomes more complex with inaccurate master data: rates and agreements get set up differently, leading to inconsistent outcomes for clients and, consequently, slower settlement of bills. Ultimately, you're trying to understand the entities that your firm is involved with in transactions, not just the client.

More importantly, when you come to give clients real-time access to data about the status of their work, they will expect to see everything under one client account. They'll want access to processes to update their address once, and once only, and will expect this to be propagated to all systems.

And there are firms that have had the foresight to make preparations for exposing real-time data to their clients. We're working with a number of them, and we've built a suite of data utilities specifically to tackle the master data quality challenge. We've brought data engineering and software development specialists together to deliver products that restructure data across firms' estates – including practice management systems, credit control systems and client management relationship systems – and to encourage use of these tools as business-as-usual activities.

The point is, master data matters. Firms need to make better decisions internally, and with their clients, and to do this they need to look at data through the prism of the three Cs – consistency, currency and completeness. They need tools to prevent poor-quality data entering systems, but also to highlight and report on data quality. The tools are there – so, what are you waiting for? Every day is a 'data day'. ►



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2020 visions Do we finally get to walk through the gleaming doors of the law firm of the future? Jem Sandhu takes stock of the passing time



Empower play Jeff Langlands, GC at **BT Enterprise**, tells Richard Brent why legal function priorities needed some new process in place $\mathbf{24}$

TEI it all together People, process and technology were all up for discussion at **Briefing** TEI – transformation, efficiency, innovation



2020 visions

We've heard quite a lot about the law firm of the future over the last 10 years in this game. Surely, it's finally here ... Jem Sandhu asks a few top leaders how far they've seen things come, and whether we can say we're there yet



o get an idea of a law firm's strategy in 2020, take a walk around its workplace. You might wander through a lobby featuring screens listing the latest deals. These days,

there will probably be plush, networked client spaces next to the reception area. You might even find meditation rooms tucked away in the back.

It's not a superficial exercise. The boom in workplace refurbishments reflects real shifts in how legal businesses both operate and position themselves. Many were predicted almost a decade ago – the rise of non-traditional competition; the use of technology to do more and more work; and an increasingly fickle workforce. How are these predictions playing out? How are law firms responding to the new reality?

A competitive landscape

Perhaps the most significant prediction for 2020, and the driver for many of the other predictions,

was an increased threat from alternative legal service providers (ALSPs) – including tech-based or non-partnership legal businesses.

Elliott Portnoy, global CEO of Dentons, sees such ALSPs as "very much" a concern – singling out in particular the much-commented-upon incursions of the Big Four into legal services. He sees this as complicated by the fact that they also happen to be clients. "We work side by side with them in many markets, but they are formidable competitors," he says. And, in his view, it's not just low-value, commoditised, work at risk: "The Big Four also compete with law firms for high-value work."

Adrian Biles, CEO of the Ince Group, doesn't entirely agree that the Big Four aspire to capture the top end of value-added premium advice – citing the conflict aspects as the main reason. "They mainly see opportunity in systemising and processing the business support aspects of legal work such as employment and taxation," he says.



Still, Ince keeps a keen eye on the Big Four. "We are interested in their thought processes around legal," says Biles, citing this as part of the reason that the firm recently hired Mark Tantam, a former vice chair at Deloitte Legal.

But more interesting than the competitive landscape itself, is how firms are responding. It's worth taking a look at a few of the advantages that the Big Four have over traditional law firms. "They have greater geographic coverage, and they also invest in systems, process and technology at a far greater depth and rate than law firms," says Portnoy. Looking at the first point – a decade ago (even two) there were numerous predictions of an increasingly shrinking world – globalisation was the buzzword. Should large law firms be adopting a global perspective to remain competitive?

They would be well advised to, according to Casey Ryan, global head of legal personnel and a partner at Reed Smith. "Increasingly, clients are global. You're in a much better position to serve them if you are an international law firm and have an international offering in terms of resources," she says.

Dentons' setting up in global markets certainly gives it a differentiated advantage: "Clients are often seeking the highest quality legal services, in a seamless fashion, in all the markets where they need services – rather than managing 20 or even 200 firms," says Portnoy.

However, Portnoy sees a divide in the top-tier law firm market in terms of the ability to be global. "A substantial number of law firms over the last 10 years have become less global. We have become both global and local because, in every market in which we do business, we combine with a leading local law firm. Most of our competitors have exited places where they do not believe that they can either achieve the profitability or attract the talent," he says. This divide can be seen to have been widened by a select group of firms entering the "billion turnover" club over the past decade – a "We're not as big as the Big Four. We are not as everywhere as the Big Four. But we are as good as the Big Four in the areas in which we operate."

Adrian Biles, CEO, Ince Group



milestone significant enough for each entrant to merit a headline in the legal press. Portnoy, acknowledging this gulf, says that it can be difficult for competitors below the largest 20 law firms. "For those of our competitors who want to go into a mature market and build on their own, the time and expense is prohibitive,' he says.

Toward business solutions

In 2020, more law firms may have to take an 'if you can't beat 'em, join 'em' approach. Portnoy predicts that client demands will eventually push firms to become business solution firms. "Increasingly, a client's problems – and the opportunities that they want to seize – can be addressed not just by legal services, but by ancillary services such as consulting," he says.

This is the approach Ince is taking. And Biles also sees that the firm can compete with New Law tech-based businesses, as well as with the Big Four. "A technology provider doesn't necessarily have the client revenue to go with that technology," he points out. "We have £15m of consulting revenue; we provide clients with business solutions which encompass things other than law. We are a business that has a law firm in it, in addition to a consulting business and a tax consultancy. We unify those offerings and provide solutions," he says.

He continues: "We're not as big as the Big Four. We are not as everywhere as the Big Four. But we are as good as the Big Four in the areas in which we operate."

"Clients will always want more service, at better quality, at lower cost. But that's a race to the bottom," he says. So, to get closer to their clients, Ince ask lots of questions in order to tailor their offering. "We ask them where they see themselves in 10–15 years, what their business plan is, and how they see their industry and their place in it changing," he says.

That Ince is able to compete with the Big Four and other ALSPs can in large part be credited to its corporate structure – introduced in 2013 to help shield it from just such threats. "It makes it easier for us to change, to enable us to compete with the Deloittes, the Allen & Overys, Dentons," says Biles. He sees obstacles for peer-group firms – still operating as partnerships – who want to reinvent themselves as business solutions providers: "Three-quarters of the partners will probably have to agree. Also, the managing partner will be competing against vested interests and inertia."

The technology solution

The other big prediction from a decade ago was that use of technology would become a 'must' to remain competitive. Over the past decade, Ryan has seen technology use increase across all levels of work and across departments. "The right technology will lighten a lawyer's load. Also, if you can take something off a client's to-do list, you've made yourself more valuable," she says.

Biles sees technology as absolutely crucial "to defend our ground" against the competition. "We invest in the sort of things that the Big Four will invest in – including fintech, regtech, and systemising contract risk reviews," he says. And Ince has even more investment appetite for such technology than the Big Four do: "Because our capital is provided by third parties in the form of institutional investors and private investors."

At Ince, machine learning is being deployed across the business. "The most sophisticated use of machine learning is taking place on the consulting business side, with their large financial institution clients. They work with cutting-edge providers of "If associates come up with a technology idea that the firm chooses to pursue, they can work with our tech and knowledge management professionals to develop the idea."

Casey Ryan, global head of legal personnel, partner, Reed Smith



technology to process vast amounts of data in real-time. The result leads to a redress or remediation conversation with the client," he says.

However, even as we approach 2020, Portnoy has seen some law firm leaders under thrall to what he calls 'legal exceptionalism'. "They think that what they do for clients is so unique that a machine could never replace them," he says. Not surprisingly, he is "delighted" for Dentons' competitors to have that view. "Client service providers and law firms that don't embrace technology will be at a competitive disadvantage," he says - noting how Dentons use technology to improve client service. This focus on client service was the thinking behind NextLaw Labs - Dentons' global collaborative innovation platform. "With NextLaw Labs, we deployed dozens of AI-based tools, and additional technology, in order to improve our clients' service and to develop solutions with them," he says.

A new kind of employee

It should come as no surprise that predictions of how client relationships and law firm offerings would evolve in the face of increasing competition came with corresponding forecasts of the ideal 2020 employee. This employee would be, among other qualities, entrepreneurial and outcomes focused. Soft and adjacent skills such as relationship-building, and an understanding of a clients' business, would also be critical.

The idea that, by 2020, innovation and creativity would be valued above compliance and conformity has definitely been borne out. An innovative mindset is now expected, says Ryan. And Reed Smith takes this expectation seriously – ensuring, for example, that its 'associate life' initiative launched in 2018 allows associates to count up to 50 'innovation hours' towards their billable hours. "If associates come up with a technology idea that the firm chooses to pursue, they can work with our tech and knowledge management professionals to develop the idea," she says.

What constitutes the 'best lawyering' now is much broader than it was 10 years ago. "It encompasses being a lawyer, a business adviser and a technology provider," says Ryan. "Clients want lawyers to be innovative on things such as pricing strategies. They expect you to have technology that will help them manage their cases and deals, and to come up with the most efficient and cost-effective way of dealing with everything from document review to budgeting. In the past you might have gone to a different service provider for each of these things," she says. Reed Smith has made it a point to recruit tech-savvy people at the outset - with a focus on its summer class hires: "For the past few years, three positions have been set aside for legal-technology associates. They are strong lawyers who will also work closely with our technology professionals."

Portnoy is seeing similar changes in what Dentons' clients want. "A decade ago, quality was at the top of the list. Now, clients assume a level of knowledge and skill. They want team-focused lawyers who are creative and collaborative when it comes to solving problems, in addition to possessing technology and legal project management skills," he says.

And Denton's 'NextTalent' development programme, announced in 2019, builds on exactly this portfolio of skills – underpinned by behavioural and neuroscience research. "You cannot assume that these skills are already in place for every one of our lawyers," says Portnoy.

And, beyond 2020, being innovative might not

"A decade ago, quality was at the top of the list. Now, clients assume a level of knowledge and skill. They want teamfocused lawyers who are collaborative when it comes to solving problems, in addition to possessing technology and legal project management skills."

Elliott Portnoy, global CEO, Dentons



be enough. Portnoy has seen another development: clients, wanting their lawyers to be resilient, are increasingly expressing concern about mental health. "This includes issues such as burnout, and the increase in suicide and depression," he says. Such concerns are a big part of the reason why NextTalent also emphasises what can best be described as 'self-care' skills like mindfulness and resilience: "We want to be known as a law firm that has lawyers with both high IQ and high EQ (emotional intelligence)."

Agreeing to the need for emotional and intellectual intelligence, Biles adds another essential quality to the skills mix. "Our employees must have a broad worldview, in order to be able to see that the client has many needs," he says. At Ince, new employees now come from an "amazing" range of backgrounds. "They have often had other jobs. The less legalised they are, the better it is in lots of ways – they could have been an actor, a doctor, or in the army," he says. These days, they are also likely to have worked as a paralegal – a type of legal experience that Biles sees as

particularly advantageous: "They will be familiar with providing solutions to clients." And, once hired, employees are expected "to know the totality of our offerings," he says – referring to the ability to draw on Ince's wide range of legal services – everything from prenups through to sophisticated cross-border tax disputes.

Retention concerns

Back in 2015, **Briefing** featured the business forecaster professor Richard Scase, at the University of Kent, outlining his predictions for 2020. He said reward would evolve beyond just aspiring to financial gain. His idea that it would be more of "a rolling achievement, based on moving from one organisation to the next" arises from this same entrepreneurial spirit. Ryan, who has seen this attitude of restlessness take root over the past decade, sees the shift as significant. "A decade ago, people were proud to be at the same employer for their whole career, or for a significant part of it. That shifted quickly into moving between employers being seen as a sign of growth and ambition," she says.

In response, Reed Smith devised a number of retention strategies over the past decade – including global secondments. "An associate in Chicago can spend two weeks in Paris learning about the business," says Ryan.

Ince has also changed its approach to retention "enormously" says Biles. "We have, for example, mental health and wellbeing programmes," he says. "These things are not new, but they are much more structured and formalised now."

And, if all else fails, firms can rethink their perspective on attrition as opposed to just fighting it. "A person who leaves could become your best client, or a strong ambassador for the firm," says Ryan. They might also return to the firm – the "boomerang lawyer" phenomenon. To keep connections with former employees strong, Reed Smith has had a structured alumni programme in place for years, which includes a newsletter featuring stories about former colleagues, and invitations to alumni events around the world.

So, going into the year 2020, investing in technology and people forms an increasingly important part of law firm strategy – at least it should if they want to see 2030. ►



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IN-HOUSE PROFILE

Empower play

Jeff Langlands, general counsel at BT Enterprise and director of EE, tells Richard Brent why an in-house legal team today needs to think about more than the pure letters of the law to demonstrate strategic value



he process-improvement initiatives underway at many top law firms at present inevitably have the ultimate goal of improving client experience in some respects. But do those

clients appreciate the value of these exercises? One company that should most certainly recognise the effort involved is BT, which has been working rather hard on the business of improving process for itself.

Understandably, a piece of legal work may pass through many pairs of hands in an organisation of this size and scale. However, Jeff Langlands, general counsel at the BT Enterprise division, has been on a mission to reduce the number – a simplification that's simultaneously offering individuals more autonomy and potentially the space to add new strings to their bows.

"BT has long followed quite a detailed governance and approvals process, a set of rules, for negotiating contracts with third parties such as large corporate or public-sector organisations," he explains. "That framework results in a lot of escalations of potential exceptions for me to consider and either approve or reject – some very beautifully crafted briefings," he laughs. "We tracked trends surrounding when escalation really changed outcomes, and in many cases the request for approval was starting to feel like unnecessary work. We were approving significantly more than we weren't," he says. In short, this didn't exactly feel like the height of efficiency at work.

"At the same time, giving our people more authority to weigh and decide things for themselves felt like an increasingly valuable engagement opportunity. So, could we kill two birds with one stone?" There was a broader drive within the BT group to push some more responsibilities down the chain of command rather than up, so he could certainly give it a go. "We said: 'Let's see what happens."

A pilot was established in one specific area – agreeing liability caps – something "generally within the legal department's ultimate control," explains Langlands. Not only did it reduce the volume of approval requests as envisaged, it slashed the period between negotiation and signing – and those people-engagement scores improved. "Business stakeholders also benefited from having somebody in the room with a customer who could say yes to things then and there."

Changing the conversation

Langlands was conscious the legal department had also needed to demonstrate the department's strategic value with some more metrics for quite some time. This idea of increasing "speed to contract" showed promise in that respect as well.

"Contracts must be on the right terms – and of course we must manage risk – but the job is just as much to get that contract signed as fast as possible," he says. Today, legal department management choices are driving real revenue. The

"We tracked trends surrounding when escalation really changed outcomes, and in many cases the request for approval was starting to feel like unnecessary work."

Jeff Langlands, general counsel, BT Enterprise



relevant dates in the contract journey were noted and tracked over several months, and then became a form of KPI that could feed into operational reviews. "It has moved us on from having anecdotal conversations about how hard we're working to building better business conversations," he explains.

In terms of his own role, not only is he having fewer conversations about individual contract terms, but reporting has been slimmed down alongside. "I decided to ask each of my five teams to give me no more than their top-five issues or matters to focus on each month. If it doesn't fit within that 25, it can't be that strategically important." It was out with the information overload, which was inefficient to produce and could lead to opaque outcomes. "Were we really using information in a way that justified the time it takes to create it?"

BT can also see the case for deploying substantially more technology in its processimprovement endeavours.

"Many of the new conversations the legal team is having hinge on having reliable data – both the facts themselves, and assessment of additional factors that could be influencing them. It's important that having good data doesn't lead to bad decisions," he says.

"We've tasked a third-party provider with effectively visualising our trend data to highlight the efficiency gains. And we're continually exploring options for adding automation to areas of contract management to perform the work itself more efficiently.

"The natural next step now feels like introducing a greater degree of self-service for sales teams – for example, perhaps having a BT preferred position and a fallback position, and only then deciding to involve the legal team."

To a T

These resourcing changes also tie to another priority for Langlands – giving lawyers time and opportunity to expand their skillsets. "You get lawyers who decide they want to come in-house because they simply love being lawyers. That's no bad thing, by any means." However, it isn't the clever cut-and-thrust of argumentation that directly benefits a business – that could be factors, as mentioned, like closing business sooner, sustaining higher 'quality', or simply making better decisions.

PHOTO CREDIT: SIMON BRANDON



"We're increasingly looking for people in legal who can understand the company's commercial concerns. For example, do they follow share price dynamics? Do they have a view on BT's market position next to the moves of other big tech players?" And if not, can they acquire one?

BT is also proactive in finding opportunities for its lawyers to develop such broad knowledge and skills – aiming to produce more of the so-called 'T-shaped' professional. He says a key turning point in his own career trajectory was joining the top leadership team of the Ireland business "where 99% of the talk wasn't about legal at all". Management aims to replicate that throughout the company, having "one of the legal team seated at each table".

"There are a number of adjacent areas for legal to be usefully involved – for example, bid management, which pulls teams together to carefully project-manage large customer opportunities." Examining the pitch and governance process – and blending law, sales and finance – is something that came within Langlands' purview for a period when it was identified as an area that would benefit from process change. Other lawyers are leading on topics such as BT's broad Brexit strategy and response to Huawei's plans – while colleague Rustum Rau was able to "step outside of his comfort zone" into the world of marketing, before "There are a number of adjacent areas for legal to be usefully involved ... The organisation gets greater value when people can speak an additional business language."

Jeff Langlands, general counsel, BT Enterprise

returning with a new set of complementary skills, he explains. This sort of 'internal secondment' setup is by no means unusual. "The organisation gets greater value when people can speak an additional business language," he says.

And as in a large law firm partnership, these opportunities to deviate from a traditionally rigid career path could also be important to individuals who want to keep a few more options open as the commercial world transforms. "You can have a group of really talented people piled into a bit of a pyramid, where there can only be one group general counsel at a time," says Langlands. "We need to retain talented people, and of course to keep them motivated." Some more horizontal movement – a little T-shape shifting – can help with that important strategic work too."





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TEI it all together

Richard Brent reflects on what we heard at the latest big event to join the busy **Briefing** agenda: TEI – transformation, efficiency and innovation



hy choose one word when you can have three? That's not the general rule of course, but it certainly worked well when **Briefing** introduced a brand

new gathering for 2019 – **Briefing** TEI: Transformation, Efficiency and Innovation.

Few will be surprised to hear the introduction of new types of technology was a topic of interest, but in fact it was another little word – people – that really came out on top.

Take the nascent trend of introducing robotic process automation (RPA) into professional services processes. Anuj Jain, intelligent automation lead at **EY**, stressed that the big opportunities here were around improving human experience – faster, more efficient complaints handling by analysing email for example, reviewing documents for quality before they're first sent, and introducing elements of customer service by chatbot. Interestingly, every EY employee already has chatbot access to process some of their own queries.

And Jacqueline Wilson at **Allen & Overy** stressed that the quality of work-life business case easily trumped the financial one for RPA – removing administrative tasks, which the board could easily appreciate as a more efficient way forward as well. She said A&O had managed to apply RPA to 17 processes: around one a month.

Investigative collaboration also emerged as a key theme of the day – tested during our afternoon design-thinking masterclass, run by El Tong of **Treehouse Innovation**. Attendees were asked to embrace "the art of asking why", which gets you closer to the root of people's emotional responses to issues like business change – a subject that will often lie outside their standard conversational comfort zone. "Remember that people will often forget to tell you what they're thinking and feeling," said Tong. Also, seek out the more "extreme" users and their stories – the "lovers and haters" – to get diverse perspectives on a problem.

David Huston, business process architect at **DLA Piper**, had earlier emphasised collective responsibility when incorporating different resourcing models in any process re-engineering. DLA follows a basic Lean and Six Sigma methodology, but to an end of building a "culture of action empowerment", he said. "Take the process map produced and then collectively decide which elements you can alternatively resource."

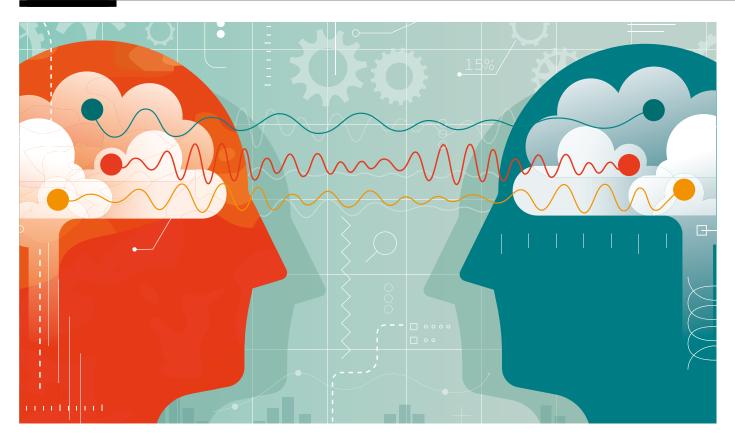
And competing ideas about the optimum extent of collaboration in transformation and innovation efforts arguably came to a head in the lively debate: 'No lawyer ever needs to learn to code'. Participants from Pinsent Masons, DAC Beachcroft, Linklaters, and the in-house side of legal services, weighed whether it was incumbent on lawyers to upskill in this area to work more efficiently for clients, against the view firms' futures lie in lots of experts in distinct areas collaborating to create that value. Given the "digital revolution", is the idea no lawyer could ever need coding capability indeed a "crazy" proposition? Or is it the case that currently lawyers can't even find the time to be trained or teach themselves on the tech they're already expected to use? Should this argument really be more about driving general "digital literacy" than trying to pass specific skills over from the swelling ranks of data scientists and other specialist IT roles? What's more efficient for a firm's transformation and innovation goals?

Brain training

26

Bonus in mind

Chengwei Liu, associate professor of strategy and behavioural science, gives an example of how greater cognitive diversity can deliver



📐 THE ESSAY

Bonus in mind

Chengwei Liu, associate professor of strategy and behavioural science at ESMT Berlin and the University of Warwick, has an example of the boost that could result from taking action to build up cognitive diversity



overlapping cognitive diversity – a term that encompasses diverse experience, knowledge, mental models, representations and tools. It's broader than identity diversity such as gender or race. Cognitive diversity was behind the unprecedented improvement in Netflix's algorithm to predict

users' ratings; they achieved this diversity by organising a remarkably well-designed open competition.

In 2006 Netflix had released a dataset of 100 million anonymous movie ratings and announced an open competition - a \$1m prize - to develop an algorithm that would increase the accuracy of its recommendation system. Participants had to beat Netflix's prediction algorithm, Cinematch, by 10%. Team BellKor won the 2007 'Progress prize' (it was a top performer in 2007 but had not reached the required 10% improvement) by developing 50 models and basing its winning prediction on an ensemble of these models. This was insufficient to win the ultimate prize, as it only improved on Cinematch by 8.4%.

In 2008, BellKor then merged with another team, BigChaos, whose strength lay in determining an optimal weighting when combining the predictions of different models. The merged team won the 2008 Progress prize. But the improvement still failed to reach the 10% threshold.

Then, in 2009, a new partner, Pragmatic Theory, joined the ensemble. Pragmatic Theory provided a novel behavioural insight that no contestant had previously considered - the same individual might rate the same movie differently depending on the context. For example, ratings may differ if they are given immediately after watching a movie, or later on, or when watching on a weekday rather than at the weekend. This new merged team, BellKor's Pragmatic Chaos, finally beat the threshold and won the prize

with a prediction that improved on Cinematch by 10.06%.

The right conditions

This case illustrates how enhancing teams' cognitive diversity may generate a performance bonus under the right circumstances, because heterogeneous teams trump homogeneous teams when addressing complex tasks.

However, this diversity bonus often goes unfulfilled. Various barriers can deter organisations from engaging with, and appreciating, candidates or ideas that deviate from the status quo. Netflix's open competition introduced at least three features that enabled the firm to overcome these barriers.

First, the competition was based on a sufficiently difficult target. Diversity bonuses are relevant only to sufficiently complex tasks, which must involve more dimensions or variables than any individual or naturally assembled team can master. They cannot be expected to have sufficient cognitive capacity to master all the knowledge, perspectives and tools essential to address the task. For example, if the Netflix prize had been based on an easier target, say 5%, the most able team, BellKor, would have won without help from the other two teams - leaving the diversity bonus unfulfilled.

Second, Netflix engaged various specialist groups rather than recruiting diverse teams in-house. The team must be sufficiently diverse in terms of its collective cognitive repertoire. It The diversity bonus often goes unfulfilled. Various barriers can deter organisations from engaging with, and appreciating, candidates or ideas that deviate from the status guo

> is unlikely the winning team would have been assembled if Netflix hadn't organised this crowdsourcing competition. BellKor was formed by three seasoned data scientists at AT&T Labs. The 50 models they developed reflected a high level of expertise in recommendation systems, as well as rich cognitive diversity within the team, with each model representing an idiosyncratic set of assumptions about raters' behaviours. Combining these diverse models created substantial diversity bonuses in predictions, but not enough to beat the threshold.

> Then came team BigChaos – less able than BellKor as measured by its lower predictive accuracy, but still providing a useful addition to its cognitive repertoire. BigChaos was made up of computer scientists, whose work focused on ways to combine model predictions with sophisticated algorithms. By merging with BigChaos and sharing all the model details and insights, the updated predictions fully realised the potential of BellKor's diverse models.

But the eventual winning outcome was determined by a contribution from an unexpected source. Pragmatic Theory was formed by two amateurs, experienced in neither data analytics nor computer science. They provided insight overlooked by most experts. Only then did the merged team manage to beat the 10% threshold by integrating state-ofthe-art knowledge about recommendation systems, a novel combinatory tool, and insight from 'outside the box'.

Third, the Netflix prize introduced an incentive scheme to encourage teams to compete as well as collaborate: a winnertakes-it-all setup. Appropriate incentives and communication mechanisms must be in place to encourage diverse ideas to be shared, integrated and evaluated. The most able team, BellKor, was motivated to work with teams very different from itself - without them, its ability alone would have won it nothing. Interestingly, after Bellkor's Pragmatic Chaos announced that it had improved on Cinematch by 10.06%, 30 other teams were combined to form Team Ensemble, which produced an identical 10.06% improvement. However, BellKor's Pragmatic Chaos won because it submitted its codes some 22 minutes before Ensemble in the final round.

The case illustrates how a well-designed structure can enable organisations to capture a diversity bonus. It also suggests why the benefit may remain unfulfilled in other business contexts. However, they could potentially await those who now appreciate their logic. ►

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Mindful of change Tracy O'Keefe, senior director, customer experience, **Thomson Reuters Elite**, says prepare to manage change

Future perfection?

Chris Cartrett, executive vice president, **Aderant,** asks how firms may need to transform some more on the road to 2025

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Professional performance

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INDUSTRY ANALYSIS

Mindful of change

Organisational change can be charged with emotion. Leaders need to address this head-on, building communication and inclusion into a framework for success, says Tracy O'Keefe, senior director, customer experience, at Thomson Reuters Elite



here is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a

new order of things." So said political philosopher and statesman Niccolò Machiavelli some five centuries ago, and it remains the case today. From a radical business transformation or restructuring, all the way through to implementing a new software solution, any organisational transition to new ways of working is fraught with pitfalls. It requires planning, pragmatism, and perseverance in the management process to get it right.

Research by leadership and change guru Bill Pasmore – author of Leading Continuous Change – suggests that "between 50 and 70% of change efforts fail due to cut corners, failure to properly budget, failure to gain proper support, declaring victory too soon, or assumptions that everything will work out". All those factors are important, and another often overlooked component in an initiative's success or failure is the human element.

Implementing change successfully is not just a case of 'getting the job done', such as when achieving go-live with a new piece of technology on time. It's about taking a team along with you on the journey, getting them to understand the need for change, engage in and embrace the process, and change their behaviours as required. Anticipating, acknowledging, and addressing people's confusion, concerns and resistance to the idea (and the mechanics) of change – organisation-wide, and from the very outset – is vital.

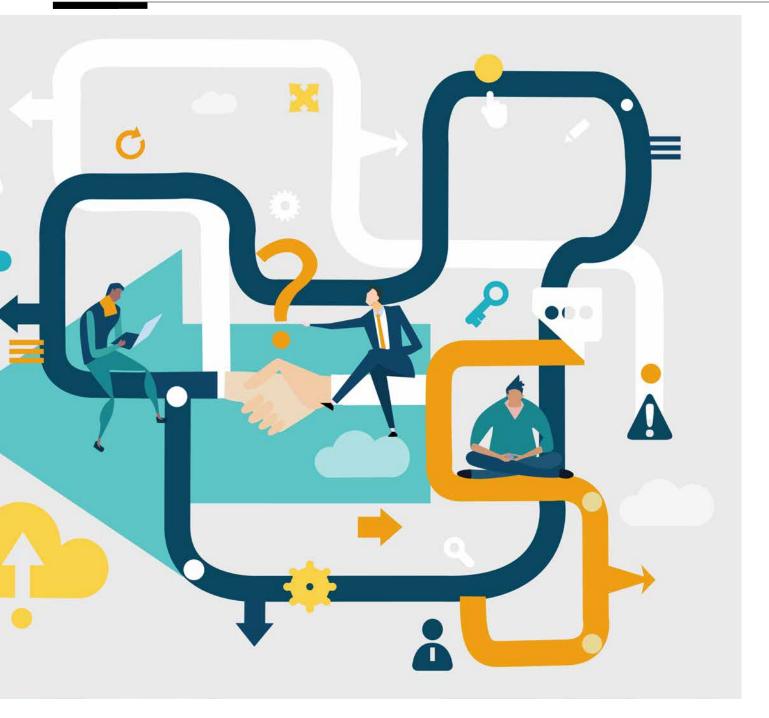
Building a change management framework

That's far easier said than done, however. As human emotions can be messy and contradictory, it's hardly surprising that those tasked with driving change often shy away from asking people what they think, getting them involved, and encouraging – rather than simply telling – them to do things differently, especially when there are targets to hit or deadlines to meet.

What's needed is a robust framework for change management – from the planning stage through implementation, delivery and even beyond – so it is not only successful initially, but the success can be sustained. Connecting and communicating with internal groups, teams and individuals should be at the heart of this framework, and it can be tackled in three phases.

Phase one – pre-launch

• Know yourself Change leaders need to analyse their own feelings toward the change, as this will affect their own behaviour as well as that of those around them. They also need to assess their personal characteristics such as tolerance for ambiguity, or their need for control, in order to play to strengths and mitigate weaknesses. They must be fully behind the change – both the need for doing it and the way it will be done – so that they can lead by example and encourage others to drive change throughout the organisation.



• Know your environment Conduct a SWOT (strengths, weaknesses, opportunities and threats) analysis on your business to assess customer wants and needs, market climate and trends, and the competitive landscape, to establish the business case for change. Also, consider which internal factors within your business will determine success or failure, such as positive and negative reactions of staff and the degree of support at senior level.

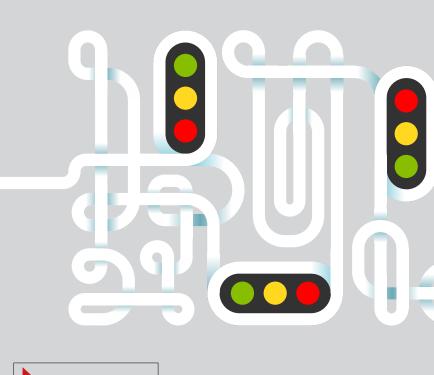
• **Provide a clear vision and direction** This business case then needs to be refined and embedded within the organisation by telling a narrative story about why the change is important. Clear vision and direction are also required to inspire and excite those who are already positive As human emotions can be messy and contradictory, it's hardly surprising that those tasked with driving change often shy away from asking people what they think, getting them involved, and encouraging – rather than simply telling – them to do things differently

Tracy O'Keefe, senior director, customer experience, Thomson Reuters Elite

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It may sound extreme, but some companies even have 'closure' events to allow people to voice feelings about the past and future

Tracy O'Keefe, senior director, customer experience, Thomson Reuters Elite



about the change and win over and motivate those that aren't.

Phase two – launch

• **Create momentum** People in charge of implementing change are often task-focused and checklist-oriented, and may forget (or be reluctant to) communicate what's happening until it's actually happened. That's a missed opportunity to inspire goodwill from an early stage and energise people, creating momentum for the project.

• Deliver clear, credible, consistent

communications It may be necessary to capture the attention of individuals or groups in different ways. The importance of a communications strategy or dialogue that can be tailored for different audiences, but delivers a clear, credible, and consistent message, cannot be underestimated. The impact of internal and external messaging and social media platforms for disseminating rumours and fake news must be considered, and attention should be paid to those individuals who require a more private or direct notification.

• **Deal with resistance** Give individuals a platform for venting frustrations or sharing ideas (in a virtual forums or preferably face-to-face) and give them some form of choice or ownership over how change is implemented and new tools should be used. Provide space to address the question "how does this affect me?" Help teams see that the change is real and important, not just the latest fad. It may sound extreme, but some companies even have 'closure' events to allow people to voice

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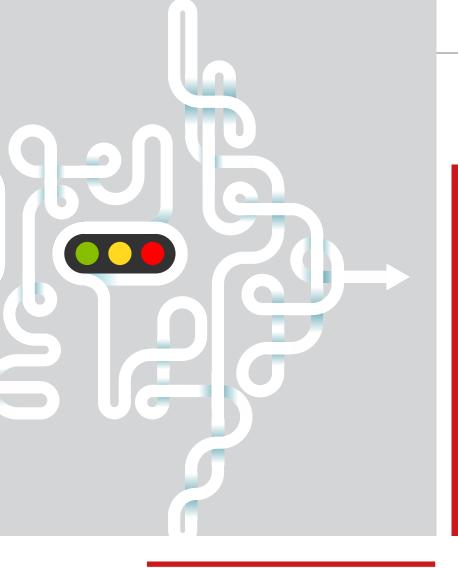
feelings about the past and future, with a view to helping them move on in a positive way.

Phase three – post-launch

• Maintain energy to overcome change fatigue Post-launch, change can take on a life of its own, so keep demonstrating strong leadership, ensure alignment with goals continues, and don't stop communicating. Refine the narrative, repeat the key messages, and choose enthusiastic change champions, at different levels in the organisation, who can keep 'talking up' the change and encourage cooperation.

• Hold 'feet to the fire' but manage stress

Change can cause chaos, but if people are talking about it and reacting to it, it's clearly transformational. Maintaining that impetus and getting people out of their comfort zones, while simultaneously ensuring that the process doesn't become too stressful, is a difficult balancing act. Asking people for their feedback, and finding ways to help staff through the process, such as time- or stress-management training, can help. Offering incentives such as bonuses or gift cards can create some buy-in. Public recognition for support via emails, giving praise, saying thank you, or a mention on the company's intranet site can also be very powerful tools to build goodwill. • Measure success and build leverage



Look at opportunities for team building and ongoing training to fill gaps in staff skills and knowledge, and identify potential successors to change leaders

Tracy O'Keefe, senior director, customer experience, Thomson Reuters Elite

People often see the conversion to a new software tool, for example, as the end result, but measuring KPIs around adoption and usage is critical too. Look at workflows and re-engineer processes to maximise the benefits of the new capabilities. Build a culture of innovation that supports experimentation with new ideas and ways of working, and which allows room to fail. In order to provide the best foundations for sustainable success, look at opportunities for team building and ongoing training to fill gaps in staff skills and knowledge, and identify potential successors to change leaders who can keep up the good work.

Top tips for change success from Thomson Reuters research

What are the most important success factors when managing change?

- 1. Clear vision and direction
- 2. Understanding the business case for change
- 3. Clear and consistent communication across stakeholders
- 4. Employee participation in decision-making
- 5. Dealing with emotions effectively

What does good communication look like?

- Clear
- Targeted at a specific audience
- Positive
- Transparent
- Addresses questions

In a recent survey of change management best practices conducted by Thomson Reuters, communication and inclusion came up time and again as top success factors. It's people that will make change work, and expecting them to do something just because 'it is their job' isn't a recipe for success. Although it may be challenging to engage with different stakeholders in the business, listen to their views, and empower them to get involved, it will pay off in the long run. Interestingly, only a fifth of respondents offered any recognition, reward, or other incentive, to employees for their change efforts. Perhaps there is a trick being missed here.

Preparing the ground early usually results in the transition occurring as smoothly as possible, with problems dealt with sooner rather than later. This creates change that is valuable for the business long term. There's no quick fix to managing change. It may be necessary – business-critical even – but the reality is it's difficult. The scale of the challenge is often underestimated. However, with organisation, dedication, and investment in employee interaction and engagement, there's no reason that a change shouldn't deliver all the anticipated transformational benefits and create a business that's smarter and stronger than it was before.



INDUSTRY ANALYSIS

I

Future perfection?

Chris Cartrett, executive vice president, Aderant, outlines the core capabilities he believes will really create competitive advantage for law firms from the year 2020

t's somewhat serendipitous that we're now talking about the law firm of 2020. Looking back at recent years, it seems as though every industry has

had its own version of a '2020 vision' and, as technology leaders, we're prone to constantly looking toward the future. At Aderant, we introduced the concept 'Your Firm 2020' about four years ago. In a nutshell, it's the things your firm's technology must enable it to do in order to be successful in 2020 and beyond.

At the time, we predicted that four main concepts would be essential: automation, mobility, collaboration and cybersecurity. As we reach this landmark point in time, I think it's safe to say these concepts have played out pretty much as we predicted.

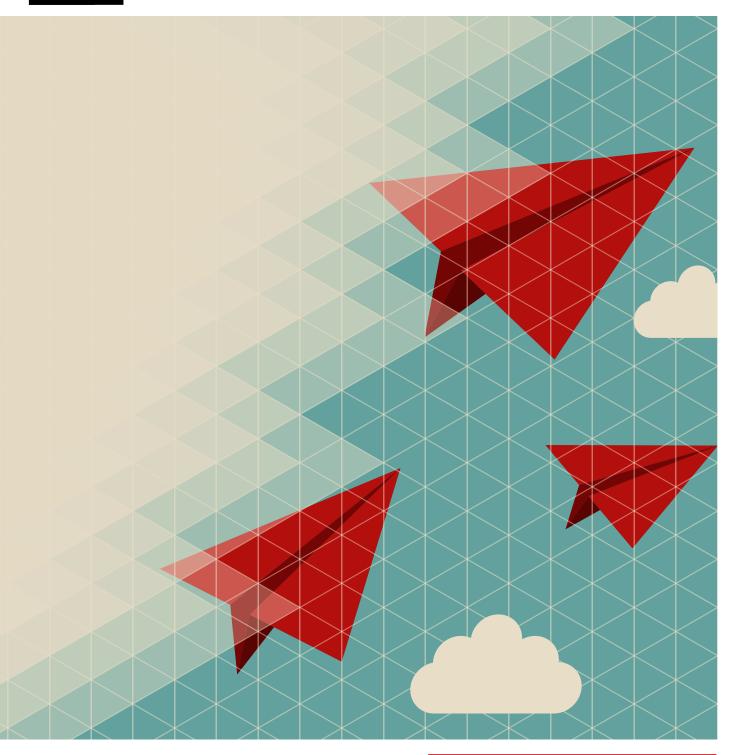
According to Altman Weil's Law firms in transition 2019 survey, 48% of respondents reported using technology to automate previously manual tasks in the quest to increase efficiency. In the same survey, 63.3% of respondents cited changes to when and where they work, therefore necessitating mobile access to tools and information.

Our own market research in recent years – the annual Business of law and legal technology survey – revealed that 57% of respondents use a mobile device for something as simple as time entry. In addition, 47% said the types of people with whom they collaborate inside a law firm now is significantly different to the situation five years ago. Finally, in the year 2017–18 57% of legal professionals considered cybersecurity to be among the top challenges facing their firm.

Although our predictions have, for the most part, unfolded accurately, we're not going to sit back and say we told you so. On the contrary, we're once again looking ahead to the next five years and the future of legal technology. The way we develop our products and navigate the years ahead is always done with an eye on what clients and employees are going to demand from their law firms. We predict that three main concepts will play out over the next five years: business-tobusiness collaboration, the adaptive experience and cloud adoption.

Collaboration stations

Until now, the notion of external collaboration has mostly centered on document sharing, but at Aderant we see a major expansion of this as a way for law firms to better serve their clients. Imagine a single, secure portal that can track and interact with outside counsel, in real time. Think how case status, and reporting on a matter and its budget would satisfy a client's demand for transparency. Consider the ability to collaborate with third-party vendors to serve clients in arbitrations and negotiations, and likewise to provide the vendor



with payment status information.

A great example of business-to-business collaboration occurred recently with the expansion of Heathrow Airport. This high-profile and complex infrastructure project was considered too large for one law firm to handle on their own, so a blended legal team from Bryan Cave Leighton Paisner, Pinsent Masons and Heathrow's in-house legal function developed a collaborative decision portal in which all aspects of the matter were available to all parties.

This project was recognised in the Legal Week innovation awards. While it's considered innovative right now, in five years we believe this We predict that three main concepts will play out over the next five years: business-to-business collaboration, the adaptive experience and cloud adoption

Chris Cartrett, executive vice president, Aderant



Voice interface is on the verge of being able to understand and process a conversation from a conference call. If another meeting is necessary, it will automatically analyse and coordinate the schedules of all parties and suggest a time when everyone is available

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sort of capability will be a minimum barrier to entry when it comes to winning legal work from new leading clients, as well as crucial to retaining the clients you currently have.

Adapt and thrive

Let me give you a personal anecdote to illustrate the vivid ways in which approaches to technology and problem-solving are already changing everyday life. I was watching my son do his homework, and he had his laptop in front of him. Instead of going to a search engine when he got stuck, he simply said "Hey, Siri...". When I have a similar issue at work, I still tend to type my inquiry into a search engine. While the problem-solving is essentially the same exercise, the process is different.

To put it another way, the adaptive experience is akin to the consumerisation of business technology. Voice interface is on the verge of being able to understand and process a conversation For more information, visit: www.aderant.com

from a conference call. If another meeting is necessary, it will automatically analyse and coordinate the schedules of all parties and suggest a time when everyone is available. But voice interaction is just the tip of the proverbial iceberg. Think of it more like your legal technology adapting to your preferences and anticipating your needs. Think about the gains in efficiency this will bring about, and the amount of (billable) time it could mean, translating to revenue and profit.

Imagine opening a new matter and the software is already surfacing what you need, such as relevant research, best practices, documents and who the firm's experts are on the subject, based on past experiences. Think how great it would be to have technology that could accurately forecast expected time, cost and profitability for the new matter based on previous precedents.

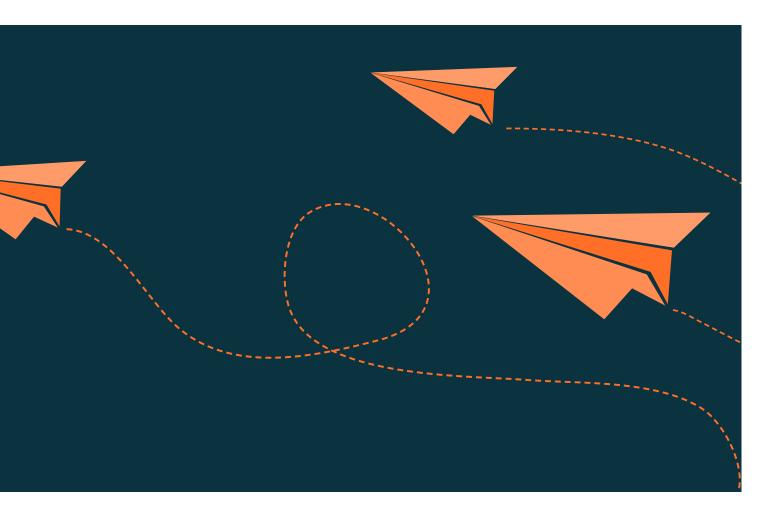
There's a whole host of other things the adaptive experience will affect – from time entry and expenses to dynamically writing rules to avert invoice rejection. Until recently, these capabilities have been lumped into the quagmire that is normally termed 'artificial intelligence' (AI) and, while technically speaking it may very well be AI, we see it more as technology that adapts – and where users enjoy the adaptive experience.

Cloud horizons

At Aderant we define the cloud simply as 'on someone else's server'. As with most new technology, when the cloud first became mainstream there was an inherent distrust of the idea of critical systems and confidential data off the premises.

Our research has found that only 2% of firms are completely in the cloud, but almost all firms have some cloud capabilities such as file-sharing, storage or email. As for their main software system, 9% said they are already cloud-based, and 18% said they were planning to move to the cloud within the next six to 18 months. At the other end of the spectrum, 37% said their firm would not be moving to the cloud in the foreseeable future, often citing "partner resistance" as the reason.

We see this changing in the next few years for one simple reason – money. In most cases, the



The irony is that the cloud today is more secure than hosting your system on-premises. Clients have come to realise that their law firms can't match the security and expertise of cloud providers

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cloud is less expensive than hosting on-premises. When partners come to fully realise the costs associated with servers and hardware upgrades, maintaining a large IT staff, the space needed for servers, and even the utility costs of cooling a server room, they are going to reconsider. Of course, reducing operating costs speaks directly to partner profits.

However, perhaps the biggest obstacle to overcome will be around security. The irony is that the cloud today is more secure than hosting your system on-premises. Clients have come to realise that their law firms can't match the security and expertise of cloud providers such as Amazon, Microsoft or Google. Therefore, clients are going to demand that their firm moves to the cloud for security reasons. Firms will have no choice but to comply if they want to remain competitive for new and existing business.

The future of legal technology matters because it offers a strategic advantage. Gains in efficiency, even if incremental, can make a huge difference – not just to the bottom line, but also in creating a culture that attracts and retains the best talent and the best clients. When we introduced Your Firm 2020 four years ago, it seemed like such a long way off. Now that 2020 is here, we need to remind ourselves that 2025 will be here in the blink of an eye, too. ►

📐 INDUSTRY INTERVIEW

Contract cognition

Alexander Hudek, chief technology officer of Kira Systems, says the way leading law firms work is already changing for the better by applying machine learning to document analysis and creation, but there should be bigger and better transformation still to come

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hief technology officer and co-founder of Kira Systems, Alexander Hudek, says that ever since he was a child he'd intended "either to become a scientist

or to start a business". And he has accomplished both. Even with the considerable analytics expertise he has since acquired, however, you might think it unlikely the young Hudek would have confidently predicted a future role for himself immersed in the business of law.

His earlier research on bioinformatics was focused on identifying similarities between DNA sequences – but it was in fact a "human" angle that encouraged him into the emerging field of applying machine-learning algorithms to complex legal agreements, he says.

"There was something very appealing about moving a computer closer to understanding human language – because human language feels so close to actual human cognition."

And then there was the fact his co-founder and CEO Noah Waisberg had such direct experience of one of the very human situations Kira had in its sights. It was focused on making the progress of legal work more efficient absolutely – saving valuable time spent on contract analysis and due diligence – but in doing so the idea was to make that work much more satisfying for young people doing the job as they start out on their careers.

"We met when I was doing a postdoc in formal logic at the University of Waterloo, Ontario, and I soon heard that Noah had experienced, first-hand, some of the issues we'd go on to solve," says Hudek. Waisberg was previously a pretty busy corporate lawyer at Weil, Gotshal & Manges. "When he was junior in his career, some of these tasks had clearly not exactly been fun work, to say the least – really long hours in the office, doing very repetitive work." This was the driver for Kira's intervention in transforming work through technology, as much as anything.

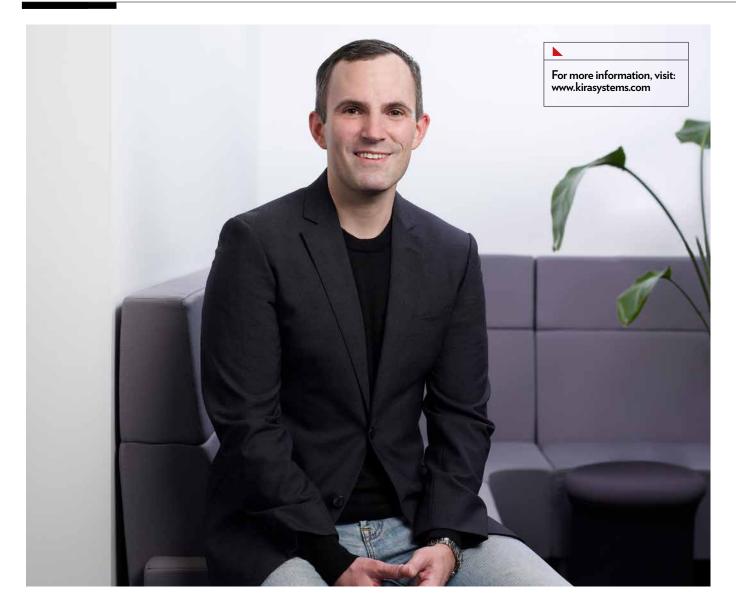
Hudek appreciates the irony of hearing this just before a time in their lives when they'd not be getting the recommended hours of sleep each night either – long before the September 2018 injection of \$50m from New York private equity firm Insight Venture Partners to help the company move faster on growth, R&D and the long-term vision.

Training gains

Although the fundamental mission today remains the same – regularly saving firms 20–40%, even as much as 60%, of the time spent identifying the right information on these very document-heavy projects – Kira's vision has also been on a bit of a journey itself.

Hudek explains: "Initially we thought we'd simply build various different models that people could select to find provisions in their contracts, and that would be that." The pair had not foreseen what firms are now able to do in terms of teaching Kira with their own materials. The product arrives at any firm with over 900 pre-built machinelearning models for automating work that goes into tasks such as lease abstraction, ISDA (International Swaps and Derivatives Association) schedules, and surrounding general commercial compliance, as well as the due-diligence process. However, firms can also 'train' the system for themselves using the 'Quick Study' option: tagging any provisions in uploaded contracts they'd like it to learn, and continually monitoring the accuracy of what is returned.

"We wanted to make the technology more accessible – you don't need to be a developer to



work with it, or have a PhD," he says. Taking this path also led to another change – building an entirely new team of legal knowledge engineers at Kira HQ. "We hired lawyers simply to teach Kira new things for us, which has helped us to develop the value and scale really quickly."

As you'd expect, a lot of effort has gone into making it as simple as possible for firms and their lawyers to teach the product. "The original vision – still largely true – is that you complete your work, highlight a particular passage, and then you instruct the system to learn from it," says Hudek. "The area where we offer some more support is in measuring the overall accuracy, and understanding the particular actions that can be taken to improve it if necessary."

And the next horizon his R&D team is working toward is pulling out additional layers of insight from the documents that feed Kira, building on the topic identification to "further analyse and really interpret clauses and produce more meaningful answers".

Transformation long-term

It's pleasing, says Hudek, that UK firms have really enthusiastically led the rest of the world in the trial and application of this area of technology to extract and transform legal text and process – the value is quite clear to them, he thinks, because their clients have made their own interest so clear. But at the same time, there's a long way still to go to reach the extraction of maximum strategic value.

That's because introducing machine learning into the skills mix can ultimately do more than save time and give people more interesting things to do – it could change the long-term shape and success of the business model itself.

"For example, with the ability to evaluate a full contract suite instead of a sample, you can potentially offer clients higher value that is also more profitable, while your people can be deployed in other ways. The capabilities have the potential to dramatically change different client offerings," says Hudek.



INDUSTRY ANALYSIS

Professional performance

Paul Suffield, applications account director, Oracle, says enterprise performance management has a track record of helping industries to adapt to significant market change

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t's no secret by now that the way legal services are delivered is having to evolve to satisfy the changing demands

of clients. However, the true value in transformed legal services will be how they are delivered by leveraging technology to optimise those services – while still improving relationships with clients. Oracle's view is that, to enable that transformation, a laser-like focus on firm-wide performance management needs to be at the forefront of law firm thinking.

What do we mean by firm performance management? We're not only talking about managing the performance of legal professionals – although that is one element. Firm performance management needs to encompass:

• Anticipating and responding to the changing legal market

- Providing intelligent and meaningful insights to all levels of the firm, reducing risk
- Linking strategy to operational detail
- Understanding, improving and tracking finance processes across the firm
- Move from data manipulation to intelligent insights
- Connected business processes across the firm
- Increased profitability while improving client retention.

We believe these factors to be key to the successful law firm of the future. Leveraging performance management solutions will deliver increased profitability and give legal professionals analysis and reporting in real time, to enable them to focus on data insights to improve the services the firm offers to its clients. Reducing lockup and improving utilisation would be a few key examples Imagine how AI could be leveraged in the workplace to predict the outcomes of strategic and operational plans. Oracle has already built AI/ML capabilities into Oracle Cloud, with the intention of moving to truly autonomous forecasting over time

of real-world benefits.

Oracle's view of why this technology is transformational for law firms is based on our experience of enterprise performance management (EPM) in other sectors. This technology has been essential for professional services firms to successfully enter new services markets, following the shrinking profit margins of accountancy and advisory services. After the financial crash of 2008, the technology was critical for enabling financial institutions to plan and deliver against regulatory changes – and, in the retail sector, to help businesses embrace new commerce platforms and keep up with changes in consumer buying behaviour.

Powerful performance

So what does this mean at an operational level? A few key statistics from Oracle's Value of EPM survey in June 2019 – which investigated the benefits of leveraging performance management technology – include:

• A 20% reduction in the time to close businesses' books

• A 44% reduction in the time taken to produce management reports

• A 71% reduction in budgeting cycle time.

However, legal performance management technology needs to go much further than the benefits highlighted above. The tool needs to be flexible and scalable to manage the different complexities of firms, depending on size, practice area and location, all while delivering key information in real time that enables a legal professional, regardless of role, to have the information needed to analyse data properly. This ensures the firm makes the right decisions to improve their client relationships, service offerings and strategy for the future. A good example of this is using legal performance management to plan For more information, visit: www.oracle.com/uk

mergers and acquisition activity, not only from the perspective of the client base or the skillsets of the acquired or merged firm, but also from a funding point of view, and to ensure that firm partnerships get the best return on investment.

Machine learning levers

The final element to consider is the leveraging of machine learning (ML), or artificial intelligence (AI), and other emerging technologies. AI powers our everyday life, serving us in the micro-moments when we need it most, understanding what we like and delivering highly personalised experiences. Think of how Netflix and Spotify suggest media we could be interested in. They are actionable and contextually aware, taking into account many variables: geography, political opinions, seasonality and life stages. They adapt to our changing needs, improve, get smarter over time and discover new knowledge.

Imagine how AI could be leveraged in the workplace to predict the outcomes of strategy and operational plans. Oracle has already built AI/ML capabilities into Oracle Cloud, with the intention of moving to truly autonomous forecasting over time, and ensuring that the firm always has a real-time view of performance versus budget or forecasts.

The other key element in any technology solution, however – especially a cloud solution – is security. Given the sensitive nature of data held by law firms, and the expectations around data security from clients, this is not a topic to be taken lightly.

Oracle Cloud redefines how firms modernise, innovate and compete in a digital world, delivering complete and integrated cloud services. Oracle's trusted and proven cloud technology is designed to be secure at every layer, including the physical data centre, networks, hardware, chip and operating system, database, platform and application layer.

The company invests heavily in cloud security and continues to develop areas like autonomous services, which are self-repairing, and secure innovations that reduce risk, eliminate manual errors, help enable improved compliance and auditing, and increase productivity.

Oracle's proven EPM solution can enable rapid decision-making based on facts. Ultimately, it delivers transformational benefit in terms of a firm's ability to provide intelligent insights to the right people at the right time.

A DAY IN THE LIFE

A different delivery

Libby Jackson MBE, global head of alternative legal services at Herbert Smith Freehills, explains the importance of having a multidisciplinary team, and why being nominated for an MBE felt like getting her letter from Hogwarts



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aving project managed HSF's initial research into high-volume, dataintensive disputes work

from 2008, before becoming director of the resultant near-shore Belfast office in 2011 and then global head of alternative legal services, Libby Jackson says that it was her experience as a management professional, rather than as a fee earner, which secured a partnership for her in 2017.

She says the change in status has imbued her with the influence, both internally and externally, to help HSF's alternative legal service (ALT) grow into the successful business it is today. "Having the voice of a partner enables me to create solutions that require multidisciplinary skillsets and can match the speed of change in the alternative legal services market in a more compelling way," she says.

It not only gives Jackson legitimacy in a traditional industry, but also signals HSF's approach to innovation and alternative legal services, she explains. "Some firms have their alternative legal businesses completely separate from the core business, or off to one side. I don't see this approach as an innovation activity that you can conduct as a side experiment – it's a transformation of the whole firm."

That innovative tendency extends to agility. Jackson explains that, although she could probably ask for one, she has no dedicated office of her own, as she feels the need to live out the "entrepreneurial" philosophy she espouses. "Why shouldn't a partner, and a global head of the practice also work open-plan and be agile?" That also means staff at the firm's Exchange House office see Jackson coming and going from the flexible 'drop-in zone', primarily set aside for the use of business services and alternative legal services staff.

With 11 locations across the planet, Jackson says the job involves a lot of travelling. "I spend about half of my working life on the road. It's so important to get some face-to-face time with your people."

She says her global team has a varied combination of skills, and working with them has been an eye-opening experience. "Lawyers are taught to 'think and speak law' – working with people who are deeply grounded in their own areas of expertise is almost like learning another language. But seeing multidisciplinary skills as anything other than the future is short-sighted."

Of course, being made a partner is not Jackson's only recent accolade. This summer, she was nominated in the Queen's Birthday 2019 Honours List to be made a Member of the Order of the British Empire. Awarded for services to the Northern Ireland

Working with people who are deeply grounded in their own areas of expertise is almost like learning another language economy and innovation in law, she says she's immensely grateful for the honour. "It was completely out of the blue – the nomination process is all very secretive. I immediately felt both very humbled and excited: the nomination letter is written on the kind of heavy, official-looking paper you don't often see these days, what with the prevalence of email. It felt a little like getting my letter from Hogwarts!"

Jackson says that, aside from briefing the firm's internal press team and senior management, she couldn't tell anyone about the nomination. "I was on a flight to New York and I had a complete wobble – I wasn't sure it was really happening! I stood at the luggage carousel in JFK airport and had to phone the honours appointment committee to check."

The nomination, she says, felt different to an industry award. "It has a resonance in the wider world – and, of course, it means something to my parents, which is lovely."

With the official investiture taking place at Buckingham Palace in February 2020, Jacskon says she's pleased to be able to take her husband and children too. She's also looking forward to potentially crossing paths with other nominees, such as actress Olivia Colman.

Despite the title, Jackson says her most important lesson is that there are always new lessons to learn. "I can't say I'm an 'expert' in alternative legal services – the minute you get complacent you probably shouldn't be doing it anymore."



Peppermint: delivering more

"The Peppermint platform has had significant impact on NLS' business. The cloud based solution has facilitated rapid expansion of our offices and through implementation of best practice workflows we have improved our case turnaround time by 15%."

Jon Chappell Chief Operating Officer

NATIONAL LEGAL SERVICE

Peppermint Technology is a cloud software company offering the full suite of legal applications built on Microsoft Dynamics 365. Available individually or in combination our solutions include Case & Matter Management, Client Engagement, Practice Management and Document Management.

