February 2020

Briefing

SMARTER LEGAL BUSINESS MANAGEMENT

COO your future

What's on the horizon for the world of the legal chief operating officer?

introhive

Artificial Intelligence.

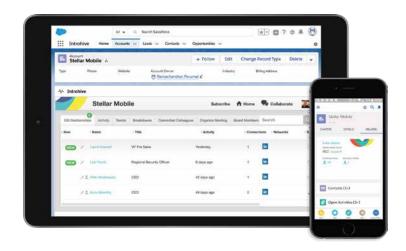## Genuine Relationships.

Benefits

Increase CRM Data Quality
with data enrichment

Drive adoption of CRM
with automation

Grow pipeline and revenue with
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Editor's letter

E xciting new decade or not, let's face it, the first 30-odd days of a year can be a challenge.
First, there's 'Blue Monday', the somewhat controversially-labelled "most depressing day of the year". Personally, I much prefer the Samaritans' 'Brew Monday' campaign. Described as a "takeover" of the concept, this encourages reaching out and connecting with others (yes indeed, over a cuppa or similar).

Finalising this issue of **Briefing**, I also once again enjoyed the notion of a spot of 'inclusivi-tea' at any time of year. Rachel Parker, head of diversity and inclusion at Shoosmiths, highlights how the welcome increase in flexible and remote working opportunities might need some extra management effort around the challenge of workplace loneliness as well. Some may know that, when onsite, the editorial team here aims for a daily 'fika' ... even today, on press day itself (just going to let you look up that one if unfamiliar).

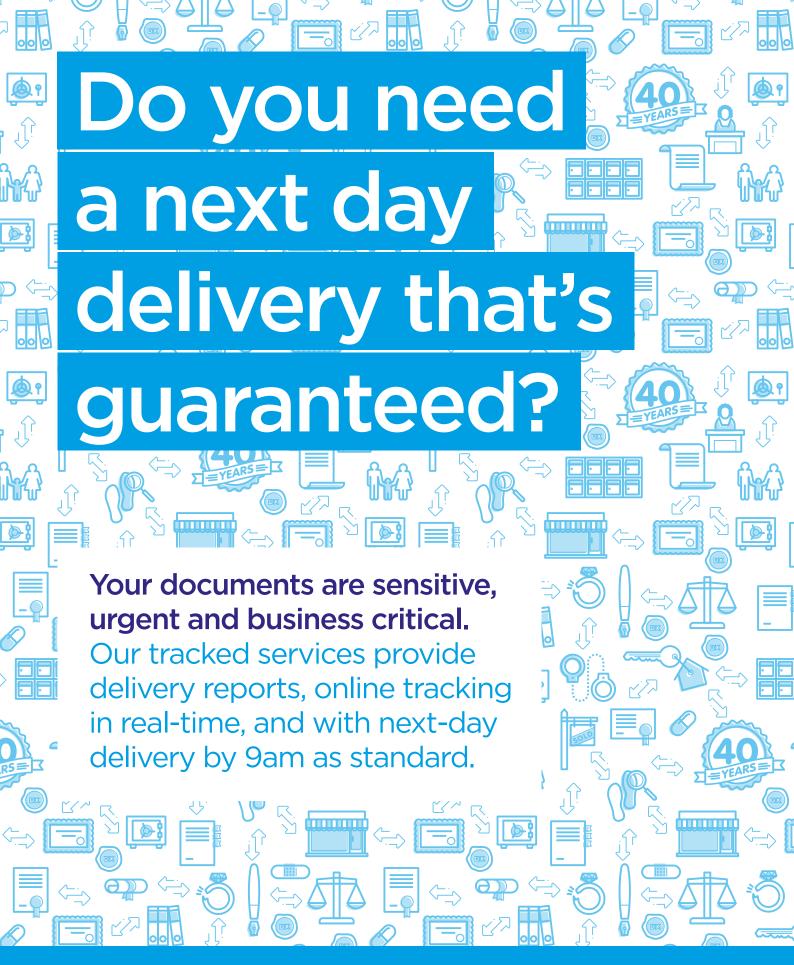**32% saw an impact on controlling their emotions at work, and 46% cited their long working hours**

And even earlier than Blue Monday pops up, we've 'Divorce Day'. Cue plenty of PR highlighting an apparent surge in interest/activity. This year, though, I was a lot more interested in some research from Howard Kennedy, collaborating with a couple of thinktanks, which suggested "69% of 'corporate highflyers' have experienced significant difficulty in committed romantic relationships, compared to just 20% of the general population". We're talking business owners, directors, senior managers here – so yes, our core readership. In this group, 62% said they were "more distracted and less productive at work" as a result of personal difficulties, 32% saw an impact on controlling their emotions at work, and 46% cited their long working hours as a factor. But only 35% spoke to their employer about the situation.

Sir Paul Coleridge, founder of thinktank Marriage Foundation, said: "Perhaps the standout conclusion must be that the Faustian pact, whereby employers seek to drive ever-higher performance by constantly ratcheting up the targets and bonuses of their high-performing employees, is in danger of being self-defeating if couple relationships and home life are adversely affected.

"Then performance turns down and it becomes yet another example of the law of diminishing returns. Employers need to be actively vigilant and alive to the risks."

RICHARD BRENT EDITOR-IN-CHIEF

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Inside this month

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Radical actions

"We don't use innovation anymore. Period."

Jana Blount, change maker, DLA Piper

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.

Phase 2020

T he new decade has already brought news of legal businesses building on the foundations of past efforts, transforming their offerings.

In March 2019, **Briefing** reported that 'alternative legal service provider' **Axiom** had spun out **Axiom Managed Solutions (AMS)**, a NewLaw outfit offering technology-led solutions for large-scale legal work. The business has now rebranded as **Factor**, a move that coincides with a new round of investment from existing partners **Benchmark Capital** and **Carrick Capital Partners**.

In a press release, Chris DeConti, formerly chief revenue officer at AMS and now Factor's head of strategy, said many "innovation solutions" applied to legal previously had not "moved the dial", due to the scarcity of commoditised work, but that the market has since matured. "Factor represents Legal Innovation 2.0, aimed not at the fringes of low-value work but at the transactional legal work that takes up most of a legal function's time," he said.

Meanwhile, parent business Axiom has launched a LinkedIn-style platform called Axiom for Talent. In a statement to **Briefing**, senior vice president of products Karl Kong said: "It provides a comprehensive look at the experience and expertise of each Axiom lawyer, with details on preferred working arrangements", helping to assign work to the right people.

In 2019, Axiom accepted investment from **Permira**, instead of going forward with a market floatation. Kong also said that the relationship with Permira would help to further expand the business's technology platform.

2,000

The approximate number of lawyers with access to new Axiom for Talent platform

There's lots of cross-border pollination going on in traditional law firms, too. In aid of a 'follow the sun' strategy for document review, **Hogan Lovells** has announced the launch of a legal delivery centre in Phoenix, Arizona, in collaboration with **Elevate**. Another example of 'old law' partnering with new, the partnership will allow the centre to supplement the work of 20 staff based there as required. It will work on multijurisdictional document review services, with a focus on US litigation, arbitration and employment matters, and will operate on a similar basis to the firm's Birmingham UK office, the firm said.

A little closer to home, **DAC Beachcroft** has expanded in Europe by acquiring Spanish healthcare specialist law firm **Asjusa**. The move will expand DAC's presence in Madrid, a strategically important hub for the firm, and is intended to enhance DAC's global insurance industry credentials.

In a similar move, **Dentons** is to capitalise on its existing strengths in the financial services, real estate, energy, infrastructure and technology sectors by opening a new office in Dublin. Unlike DAC's acquisition, however, the office will be entirely new, with Q2 stated as an expected operational launch date. Eavan Saunders, formerly at **Ashurst** and Irish law firm **William Fry**, will become managing partner. It comes as a string of legal businesses have shown interest in an Irish base – no points for hazarding a guess as to why.

It's comforting to know there are plenty of new ventures for legal to be optimistic about as we get stuck into round two of the Roaring Twenties. ◤
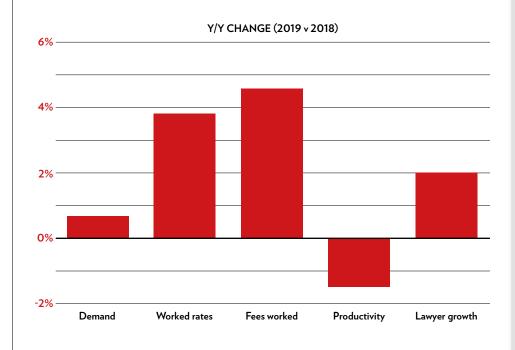
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The 2020 State of the US legal market report reveals some incremental financial improvements, but suggests a significant productivity problem

WHICH LAW FIRM PERFORMANCE INDICATORS DEMAND MOST ATTENTION?

Y/Y CHANGE (2019 v 2018)

Categories: Demand, Worked rates, Fees worked, Productivity, Lawyer growth

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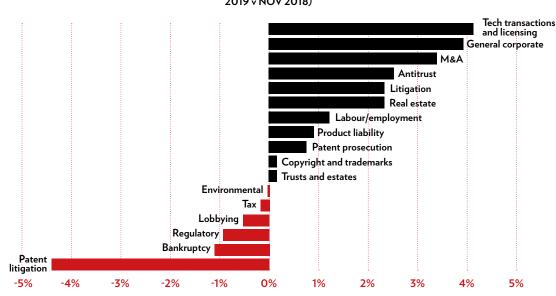
During 2019, most US firms experienced fairly steady overall financial performance, with demand, rates and headcount all growing. While demand grew at a slower pace than in 2018, rate and headcount growth exceeded the year prior.

In spite of these gains, some worrisome trends have emerged, not least the negative performance in productivity and continued lacklustre demand growth, which has essentially been flat to somewhat negative over the last decade.

Growth rates for direct and indirect expenses continued to rise, a trend over several years, and there appears to be too much reliance on rate increases to drive firms' positive financial performance.

WHICH US PRACTICE AREAS ARE EXPERIENCING MOST GROWTH IN HEADCOUNT?

YEAR TO DATE (NOV 2019 v NOV 2018)

Tech transactions and licensing
General corporate
M&A
Antitrust
Litigation
Real estate
Labour/employment
Product liability
Patent prosecution
Copyright and trademarks
Trusts and estates
Environmental
Tax
Lobbying
Regulatory
Bankruptcy
Patent litigation

Source: Thomson Reuters Peer Monitor® data is based on reported results from 162 US-based law firms, including 51 AmLaw 100 firms, 54 AmLaw second hundred firms, and 57 additional midsize firms. For the full report, please visit: https://legalprof.thomsonreuters.com/LEI_2020_State_of_Legal_Market_LP_010620

All you need is love?

I have a love–hate relationship with 'people management'; having devised, recruited, built and led a number of successful teams, I often wonder why that is. I think there are two main reasons for my perpetual angst. First, I genuinely care that my people do well for their own sakes (and that can be a rollercoaster – as some do and some don't). Second, if I'm honest (this is a secret, right?), I love leading but hate the bureaucracy of management.

Why is that? Some might say I'm not an 'ops person', but that's not true. In almost every other part of my working life, I love detail. And depending on your preferred version of the old quote, both God and the devil live there.

I recently read a fascinating book on leadership that might shine a light: Nine Lies About Work: A Freethinking Leader's Guide to the Real World, by Marcus Buckingham and Ashley Goodall. Anyone who leads a team should read it. If you don't have time, however, here are the three most significant 'truths' it contains.

1 Ranking people is impossible, and we should stop doing it. A whole body of research, including work by multiple authors in the journal Personnel Psychology, shows we can't reliably rate each other on anything.

2 There is no leadership gene. Leadership is about time, place and cause. There's no one trait all leaders share. If you want to lead, be invested. And according to research from McKinsey & Company in 2014, that quality – despite the $14bn spent in the US every year on leadership training – cannot be taught.

3 People want 'attention', not 'feedback' – even when they ask for it. Research by the Gallup Business Journal has found 'feedback' is mainly a synonym for negative input. But also that managers who give no feedback or attention have one engaged team member for every 20 disengaged. Those who give negative feedback see two engaged for every one disengaged, and managers who give positive feedback, more warmly received as 'attention', enjoy 60 engaged for every one disengaged. In other words, positive feedback is 30 times more powerful than negative – and 1,200 times more powerful than ignoring people.

There's an old cliché which claims, wrongly, 'what gets measured gets done'. That may be true with widgets, but not knowledge workers. Even if we could measure in the same way, negative feedback is counterproductive – even more so when 'measuring the unmeasurable', based entirely on subjective factors. Einstein, the scientists' scientist, agreed when he allegedly chalked up: "Not everything that counts can be counted, and not everything that can be counted counts." (That might actually have come from sociologist William Bruce Cameron, but Einstein is a more pleasing source.) Or in a similar vein there's: 'you don't fatten a pig by weighing it.'

Perhaps if we spent less time evaluating people and more investing in them, we'd find we already have all we need to build successful teams. ◣

Stephen Allen
Head of innovation and digital
Hogan Lovells

🐦 @LexFuturus

Positive feedback is 30 times more powerful than negative – and 1,200 times more powerful than ignoring people

BURIED PRESSURE?

DATA BITE

Which workplace situations most affect business leaders' "ability to think clearly and act authentically"?

Board meetings	31%
Video conference calls	30%
Training sessions	30%
Small group meetings	27%
Telephone conference calls	27%

Source: Thinking on your feet report, surveying 1,000 workplaces, by RADA Business

37%

Of C-suite leaders, directors and senior managers say high-pressure scenarios make it harder to prepare and express their thoughts

Rachel Parker
Head of diversity and inclusion
Shoosmiths

🐦 @Shoosmiths

It's crucial that employers don't lose the benefits of individual and team connections, and so suffer from under-performing teams and lower levels of employee wellbeing

▲ **SPEAK UP**

Keeping in touch

In an increasingly agile workplace, how colleagues and teams interact is changing. Hotdesking has replaced the day-to-day desk. Meetings are now more often than not on the phone or online. Employees might not sit in the same location as their team or direct manager. Many work flexibly between office locations, regularly work from home or part-time. And alongside technological advancements, there's greater employee demand for variations in working patterns and locations, and a younger generation asking employers to be more respectful in how they treat people.

Although flexible working concepts have been around for many years, employers are only now waking up in larger numbers to the commercial and talent advantages of adopting them. LinkedIn's 2019 global talent trends report noted a 78% increase in job posts mentioning 'workplace flexibility' since 2016. The Chartered Institute of Personnel and Development's cross-sector insights on flexible working (June 2019) pointed out that 87% of workers would like to work flexibly if they could.

But as this change in mindset starts to filter through into HR policy, it's crucial that employers don't lose the benefits of individual and team connections, and so suffer from under-performing teams and lower levels of employee wellbeing.

For diversity and inclusion teams, one key to a positive organisational culture is to have infrastructure in place so that all employees can be themselves at work. One powerful way of doing this is by empowering groups of employees to connect with others who have similar backgrounds or interests. Such a network might focus on community. At Shoosmiths there are networks for gender equality, and LGBT+ and BAME employees. An internal online forum to connect through hobbies, such as cycling or photography, can also be an important conduit. Whatever their form, the success of these networks lies in empowering employees to connect across channels that don't rely on being in the same room.

To maintain a connection it's also important to be consistent in employee communications and inclusive of different working patterns. If you're sending an email that requires a response, don't make the turnaround time so short part-time workers can't reply before the deadline. Don't regularly schedule 6pm meetings when team members have a 4pm finishing time. When disseminating all-team updates, use a few mediums to ensure maximum exposure to employees who prefer certain channels.

Finally, with teams spread across locations, there has been a rise in reports of workplace loneliness. Introducing 'wellbeing champions' can be a good countermeasure. This would be an impartial ear in every office, so employees had someone to talk to in spite of not having an immediate team around. For remote workers, regular one-to-ones are a must – line managers should be encouraged not to move them around if possible. And for National Inclusion Week 2019, employers were encouraged to promote 'inclusivi-tea' – conversations in the communal kitchen with colleagues you don't work with directly.

These are just a starting point, but at Shoosmiths they've helped us to make great progress in shaping our workplace culture and approach to wellbeing. ◣

Growth factors

It seems appropriate to debut my first ever column in **Briefing**, at the start of a new decade, by looking to the future. As firms think about their growth strategies for the next five years, many are doubtless considering how to face a number of business challenges. These include increased competition from both traditional law firm competitors and emerging competitors, as well as how to leverage experience and institutional relationships to innovate and exploit new opportunities.

Many firms are also facing growing demands from clients that are focusing more than ever on the value they can derive from advisers beyond pure legal advice. Firms must respond to these challenges with greater urgency as the pace of change accelerates. Those that don't continually innovate and adapt are being left behind.

And in our increasingly digital world, two of the best enablers of change are information and technology used to support business decisions. Three key areas where both can be applied more strategically are business development, business acceptance and business intelligence processes.

Business development continues to be an area of significant focus. At Wilson Allen, we expect that firms will fall into three categories when it comes to customer relationship management (CRM) technology. Whichever a firm falls into, return on investment will be front and centre. The categories are:

• **Leavers** - Firms that realise their current system is not supporting the business adequately and must change platforms as soon as possible.

• **Remainers** - Firms that are happy (or almost) with the performance of their current system, but where the platform may need reinvigorating by connecting additional third-party software.

• **Undecided** - Those that either don't fully understand the urgency of investing in CRM, or those stuck in an evaluation loop while other firms move ahead.

Business acceptance will shift from being a purely administrative task to become one step in the overall client journey. The most successful firms will connect intake to overall account planning processes to identify potential 'white space' areas, where as yet unarticulated demands can be delineated, and to help ensure that the relationship continues after a matter has been closed.

Client feedback will be used to measure performance against success criteria identified during intake, and combined with other intelligence around entities and relationships. This will be fed back to marketing.

Business intelligence will become an ever-more important discipline, albeit in different directions. Client and matter profitability are no longer the endgame, but foundational. Firms will continue to feel the pressure to price matters flexibly and non-traditionally. CRM, business acceptance and client-feedback data will need to be incorporated to paint a complete view of performance. The widget battle is behind us, and Microsoft Power BI has won. Content is king.

As the market changes, firms will need to adapt to the pressures that result by innovating in terms of how they use their information, knowledge and technology if they are to achieve their strategic goals over the next five years.

Michael Warren
Vice president – CRM practice
Wilson Allen

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Business acceptance will shift from being a purely administrative task to become one step in the overall client journey. The most successful firms will connect intake to overall account planning

Andy Bevan
Cloud sales specialist
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🐦 @PulsantUK

For more information, visit:
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It cannot be stressed enough that keeping your software and systems patched and updated to vendor-recommended levels is essential

◤ **COMMENT**

Virtual vigilance

Given the absolute importance of data security and confidentiality within the legal sector, it can often be instructive to take note of the accomplishments and mistakes of other organisations.

A recent example of the disastrous reputational and operational consequences that can result from a cyberattack in a highly regulated sector is the Travelex ransomware attack in January 2020. The company was not only forced to take down its global websites after hackers took control and demanded a £4.6m ransom, it was reported that the organisation had to resort to paper-based processing for a period, and was unable to sell or reload its travel money cards. Its high-profile customers, including Royal Bank of Scotland, Barclays, Tesco Bank and Asda, might be asking some searching questions.

In the legal space, where a reputation for confidentiality and working to best practice is crucial, erosion of that trust inevitably means your ability to generate new business – or indeed, retain clients – is compromised. Put simply: we can't relax when it comes to data security.

As standard practice, firms need to analyse and review their data security measures on a periodic basis, by conducting, for example, vulnerability scanning, penetration testing, and firewall and networking design reviews. It's also standard practice to review these measures when implementing change to business systems, databases or applications. However, the evolving threat landscape means that risks accumulate, and point-in-time reviews and measures are immediat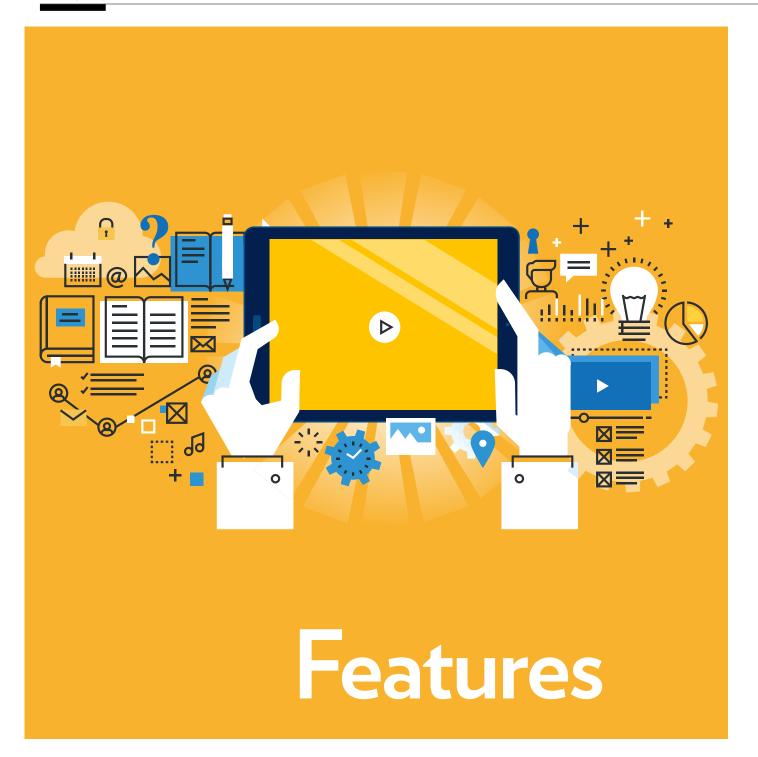ely out of date. Therefore, information security requires continuous management across all areas of the business, and it's incumbent on IT to provide the tools to achieve it.

At the most basic level, it cannot be stressed enough that keeping your software and systems patched and updated to vendor-recommended levels is essential. That alone makes firms far more secure against those looking to exploit vulnerabilities. It sounds simple, but it's often sidelined owing to competing priorities.

Over and above the core patching consideration and periodic measures mentioned above, it's worth considering the use of enhanced, continuous monitoring services. These provide technical controls covering, as a minimum, intrusion detection both internally and externally, file integrity monitoring, continuous vulnerability scanning, dark web monitoring, log correlation, and threat management. Perhaps most importantly, these services provide a security operations centre service with full, real-time oversight – 24 hours a day.

Even if your firm has a large and well-funded IT department, the benefits of bringing in external expertise when it comes to data security shouldn't be dismissed. It's expensive to do everything in-house; a specialist third-party provider can oversee the basic management of platforms, introduce the latest technologies, provide constant oversight of your security position, and remediate issues before they affect your business.

Avoiding the situation that Travelex found itself in should be a priority. Operating your business by pen and paper isn't a great look these days. ◤

Features

FEATURE

COO
your future

As **Briefing**'s flagship Strategic Leaders event returns next month, what are heads of operations finding in terms of changing business challenges and the strategic support needed to grow stronger? Claire Jones reports

As law firms face disruption to models of client service delivery, including through adoption of new technology by new players to the game, and the constant pressure to increase profitability, the position of chief operating officer at the firm is continually adapting. So, how do these business leaders see their roles evolving further in the year 2020?

Strategic stakes on the rise

There are numerous challenges, from dealing with the implementation of the right technology to leading the change in delivery of legal services. But identifying how clients want services delivered, and meeting that need competitively, is a leading concern.

Jessica Burston, director of operations at Royds Withy King, says: "Strategy for the next five years is one of growth – in revenue, profitability and physical size, but still to continue to meet increasing expectations – meaning my focus is on pursuing operational excellence, to ensure the best possible client experience and maximise fee earner utilisation and recovery. That requires anticipating how clients want to interact with us, and delivering business process standardisation, digitisation and automation, while ensuring we are a great place to work."

William Robins, operations and compliance director at Keystone Law, is particularly concerned with providing the best technology and processes to the firm's lawyers, and so powering the productivity that should drive growth. "Keystone Law does not operate the traditional top-down business model, and so we usually find off-the-shelf offerings are not suitable. We tend instead to build our own systems, designed to provide lawyers at Keystone with all the best features from a lawyer's perspective, but without any of the features management typically require, which so often micromanage and straitjacket lawyers."

Meanwhile, the fast pace of change means COOs are now more involved with business strategy than ever before. Rod Harrington, COO at Norton Rose Fulbright, says his biggest challenges are embracing innovation and changes in the way legal services are delivered at the same time as margins are being eroded. "Day-to-day challenges have shifted away from 'keeping the lights on' to dealing with these and other more strategic issues. I'm increasingly finding myself at the forefront of setting the strategic agenda and longer-term goals, as opposed to responding to them."

Burston adds that meeting client requests for different communication mediums is a current goal. "We are trying to move ahead quickly, which often means being very much more ambitious in our change programmes than we might have been before. In the last year, IT has come under my remit, in recognition that technology is providing the platform for building all our change process moving forward."

And Jeff Wright, operations director at TLT, notes the challenge arising from the large number of opportunities. "Effecting and leading change has always been part of the role. The shift is in the volume of opportunities available to TLT, the organisational appetite to seize them and the commercial imperative to deliver them well. Working out how we thrive in that environment, balancing entrepreneurial agility and responsiveness to clients with creating settled service models, means a relentless pace of change. It's exhilarating and exhausting at the same time. On the tougher side, we can't do everything."

"Risk and IT, including a dedicated innovation role, come under my remit, and my directorate works very closely with finance, HR and marketing/BD."

Jessica Burston, director of operations, Royds Withy King

How is the role itself transforming?

With competition from both large professional services firms and smaller agile startups, traditional law firms are looking to their operations leaders not only to provide operational excellence but also to drive their businesses forward. Robins at Keystone says that this means the operations role is changing and requires the right person in the job. "Law firms have generally moved away from fee-earning partners turning their hand to the role and towards specialist professionals filling it. I say generally, because Keystone has always operated like that, and I know many other forward-thinking firms have long since appointed experts in these areas, but by no means have all firms done so."

Harrington adds that the COO is at the core of business transformation. "I can only speak from my own experience, but what's clear is that the COO has to play much more in the strategic leadership space than perhaps was the case in many firms five to 10 years ago." He says the reasons for this are threefold. "Much of the transformation needed in firms now is enterprise-wide and therefore needs to be driven, or managed, from the centre rather than through more bottom-up, organic change initiatives. Second, the pace of change is accelerating, and therefore transforming the business has become a constant, rather than a more traditional approach where the strategy was set for three to five years and then implemented in a one-off process. Third, the profile and positioning of so-called 'non-lawyers' in the firm's leadership has changed."

And, with communication essential not only when planning strategy but also to ensure every team understands its role and direction, another change sees COOs spending more time facilitating cooperation and understanding between different areas of the business.

For example, Burston says she is always looking to achieve balance between the operational side of the business and lawyer priorities. "Risk and IT, including a dedicated innovation role, come under my remit, and my directorate works very closely with finance, HR and marketing/BD. Business services functions meet regularly and separately, including with a specific client-experience focus, and we meet monthly, collectively, with the heads of legal practice.

"We strive to keep our initiatives joined up, to clearly articulate the value to the wider business, and place a very high value on collaboration with all stakeholders. Our monthly management executive is made up of all the practice area heads and heads of business services, where all activities are regularly assessed and reviewed to ensure we are all in agreement over where we spend our time and effort."

Wright says that TLT has been adding to some teams. "We've recently transitioned a partner into a 'client service transformation' role and we're building out our legal project management and AI team capability. While there are no other changes planned right now, we keep it under constant review given how quickly we are changing and reshaping client service delivery."

What keeps our COOs awake at night?

Top concerns stem from the rapid evolution of the sector, as well as an increasing range of cyber threats. For example, Robins notes that the rate of

> "Increasing profitability can't be taken for granted in mature, low-growth, highly competitive markets, so improving efficiencies and developing new revenue streams are key."

Rod Harrington, chief operating officer, Norton Rose Fulbright

change provides a constant source of new work – which needs work itself. "There has been a succession of new laws, acts and regulations of late. Every one of them needs thought, processes and software to implement."

Harrington says: "Ultimately, the biggest challenge is maintaining and improving the profitability of the firm – critical to being able to attract and retain the best talent in order to service our clients. Increasing profitability can't be taken for granted in mature, low-growth, highly competitive markets, so improving efficiencies and developing new revenue streams are key.

"A secondary concern is to try to strike the balance between enabling the business and freeing up the entrepreneurial spirit in our people, while managing the plethora of risks and internal and external demands that we face without saddling the business with bureaucracy and cost."

And Burston adds that cybersecurity remains a challenge, with constant vigilance essential. "Our information is at risk, and legal is vulnerable as a sector and therefore a target. We are constantly looking at how we can improve this situation, engaging with experts to help keep us and our clients safe."

Meanwhile, the rapid evolution of IT solutions and changes in operational challenges mean a constant need to update skills and knowledge. Our leaders have found that their teams are invaluable in sharing new learning, with colleagues helping them to stay abreast of new developments.

Harrington says: "Traditional methods such as attending conferences, and so on, are useful. However a lot of the new tech and approaches coming online are evolving so rapidly that to some

extent I am learning 'on the job' through regular work with our innovation teams."

And Burston says Royds Withy King has made bringing in and developing colleagues who can provide the knowledge the business needs to thrive a priority. "We have taken great care to appoint experienced, high-quality heads of services, and have looked both in and outside the legal sector to support this. As a director of operations, I have learned much from my team and worked hard to keep on top of strategic direction and influences both in and outside the sector."

The role of COO has clearly become more challenging since beginning its evolution a decade or more ago. The role is still transforming today and holders of the office appear to be taking the opportunity to tailor it to the needs and strengths of their firms.

But the COO will also continue to drive transformation of the traditional law firm and shape the future operational model. Wright says: "It's a real balance between culture, agility and careful planning so that we implement in a way that works and delivers."

The final word goes to Burston, who notes the need to avoid simply directing her lawyers. "It's a huge challenge to deliver across all the projects we need, while keeping the business steady and disruption to a minimum. We constantly strive to achieve balance between what the lawyers and partners consider priorities and what is important from a business function perspective.

"I don't think that this is any different to any law firm with a traditional partnership structure, and it requires a great deal of investment in influencing rather than directing."

Rad students

Jana Blount, DLA Piper's newly appointed change maker, talks to Richard Brent about how the firm is reaching for more dramatic business transformation in 2020

"We don't use innovation anymore. Period," says DLA Piper's Jana Blount – a short, emphatic line that may be a disproportionately strong burst of fresh air for **Briefing** readers still easing their way into the year ahead.

But she is, of course, referring more to the word than the concept: one that has become very much a regular on the management circuit. "We felt that it had really lost its meaning – innovation meant either everything, or nothing at all, depending on who you were talking to," she explains. "Now, here, it's all about change."

And so it certainly seems to be. It was a year ago this month that DLA Piper announced the launch of a new 'Change Council', which would seek to play a part in the firm's "strategy to evolve the traditional structure and expectations of a law firm in the new, everywhere-connected, platform-driven global economy", as the press release put it at the time. Indeed, the firm went further, insisting it's in the business of embracing "radical change". This council of 13 (partners, other fee earners and other senior professionals) considers proposed opportunities to change things at the firm, before passing them on to new volunteer 'change teams'. And former litigation lawyer Blount is chair of the change council, or 'change maker' – and yes, that is indeed her official title.

The firm had previously engaged with Professor Richard Susskind as an external consultant (author of The Future of the Professions, Tomorrow's Lawyers, and most recently Online Courts and the Future of Justice) to produce an independent report, she explains – which concluded that its work on 'innovation' had been almost exclusively devoted to process improvement, whereas there was little evidence of the aforementioned radical change. "We were doing a lot that might be expected – around efficiently raising service quality, and so on, which is all great – but we hadn't yet tackled the piece about what the law firm of the future should ultimately comprise and what it should provide for people," she says. "You have to ask what else is really out there. We need to look beyond simply what we currently do and the ways we can find of making those things better."

Signs of change

Blount reports directly up to global co-CEO Simon Levine in this regard. "It flows from the top, and that's a really important aspect of the initiative," she says. "Simon's still in all of the change council meetings that I now chair. When he was re-elected [in 2018] he had a two-page manifesto, and one of those pages was all about change."

But what about this 'radical' change business? Its definition was an area for the change council itself to investigate, and Blount found no shortage of would-be legal revolutionaries when Levine himself put the call out for nominations and applications to both it and the change teams just before Christmas 2018.

"I was in the US on holiday, constantly

"If our clients don't want something, it doesn't matter how excellent or radical it appears. It's just not going to work."

Jana Blount, change maker, DLA Piper

refreshing my inbox, as you do – and of course they all flooded in fairly last minute," Blount laughs. "I'd gone from a feeling that we'd failed before we'd even started to a realisation that this was really resonating right across the firm."

And thus, the council's first meeting in January 2019 included consideration of what 'radical' could actually look like in a global law firm – surely not an immediately obvious and straightforward task. "You really can't just go through the same old standard processes and hope to come up with something really creative," suggests Blount. The firm therefore took some principles of design thinking – a big part of life at DLA Piper these days – to the articulation of the radical-change mission itself, resulting in a spider diagram with specific pointers that could help to lead the way.

"It's a visual signpost for testing future change ideas to ensure we're hitting the mark with them," she continues. "For example, is the idea very bold? Is it high-impact? Is it empowering? Can it make the seemingly impossible possible, and is it purpose-led?

"Now, imagine somebody approaches us with their 'radical' idea – it's an innovative new vending machine for the floor. So wait, let's check it against the spidergram. Is the idea empowering? Well perhaps … you can get a snack on the way out of the door. But is it high impact? Not so much. Is it far out and bold, in line with our vision? No. You can visually graph that, and thankfully we get many better ideas than new ways to eat."

Alas, the specifics of some of these remain under wraps at the time of press – however, change teams are being grouped around four 'priority areas' for most urgent action: client experience, data, digital solutions and business advisory.

"I got into this role myself because I was client-facing – I firmly believe that gave me the credibility," says Blount. "And the fact is, if our clients don't want something, it doesn't matter how excellent or radical it appears. It's just not going to work. We're looking at how we can involve clients even more in our thinking and creation in future." The firm has already organised two full change-team events – the "entire change community" – to which the client perspective has been purposefully invited.

Design of the times

But in a sense – although it may make for a noisy

meeting – the change community could be considered everyone who walks these floors. "Even if we have five new businesses and lots of great new products, will DLA Piper be fundamentally different?" questions Blount. "That's not the whole picture, as one part that needs to happen is a mindset shift for everyone – the DNA of DLA. We need to bring the firm along, such that everyone is able to ask themselves if they can dig a bit deeper into a client's situation, or brainstorm in a different way, to produce a better solution. We see that as a distinct skillset for many people, not just change people."

The consultancy Treehouse Innovation recently came in (if that name rings a bell, by the way, readers were perhaps present at **Briefing** TEI in 2019) and collaborated with Blount and others to come up with DLA's own bespoke framework, training and toolkit for design-thinking work. This has all been tested and iterated several times, and is now set to go out to the firm at large. It involves patterns of deeper questioning than may otherwise be pursued following tried-and-tested precedent, to get to the root of problems and solutions that aren't immediately apparent – or to "let the mind go bigger and broader", says Blount. This may involve digging into algorithms and data as part of that digital priority area, but is by no means limited to such tech-driven change.

And alongside the change teams, Blount has

"One part that needs to happen is a mindset shift for everyone – the DNA of DLA. We need to bring the firm along, such that everyone is able to ask themselves if they can dig a bit deeper into a client's situation."

Jana Blount, change maker, DLA Piper

also introduced people the firm is calling 'provocateurs', who can provide a broader-world perspective to stimulate and inspire more of the alternative thinking it hopes to see coming up through the ranks.
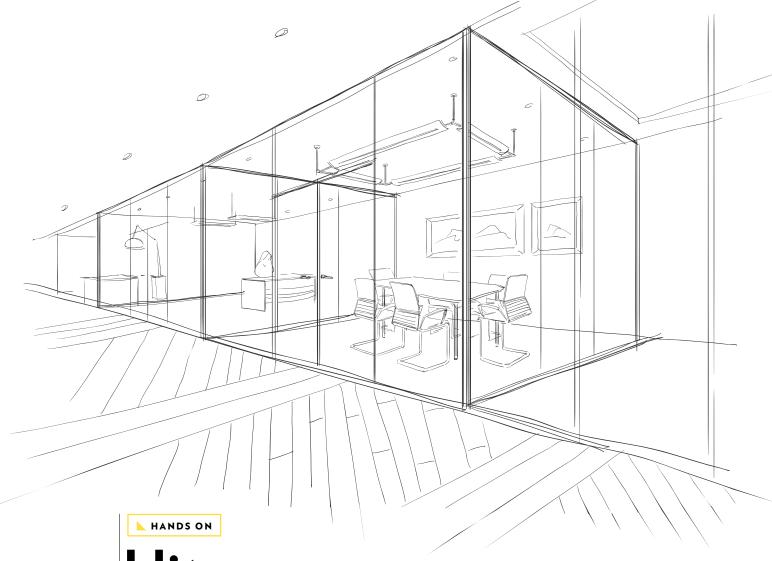
And in spite of the old saw about lawyers and change in general, Blount says it really hasn't been a "hard sell" – they see the client-relationship gains from all of these changes play out before them, and in fact the struggle is more to meet the apparent pent-up demand for change, presumably many years in the making. "After all, we aren't asking lawyers to design a new product every day, but there are certain aspects that you could well use in very everyday situations," she says. Not every change needs to be of the radical variety to see a reasonable benefit. ◢

Brain training

22

Hit space

How **Walker Morris** assessed exactly what it needed to provide in a new place to work

Hit space

Tom Peel, partner, Walker Morris, and Helen Nicol, director, tp bennett, outline the process of assessing whether a law firm's use of its workspace is fit for the future and taking people with you on the journey of transformation that follows

The leases on Walker Morris's buildings were due to expire at the end of 2019. So, back in 2015 the firm formed a new 'premises committee' to analyse what was required of a new work environment, what changes were needed to the current working practices, and how much space was required for the firm to operate them.

The firm appointed Fox Lloyd Jones to look at the building premises opportunities, and at the end of 2015 chose architectural and planning practice tp bennett to help with understanding what space was needed and how to use it most effectively. It was recognised that this strategic workplace consultancy phase was vital, as it had a huge impact on the building requirements and helped in grasping what was needed and what needed to change. For example, it helped in getting an understanding of what was 'sacred', what was 'currently our best practice', what the interrelationships were between departments, and which departments should be near to each other.

The premises committee comprised several of the firm's partners and the financial director, as well as Fox Lloyd Jones and tp bennett. This group was tasked with managing the workplace consultancy and space-planning exercise, as well as managing the process up to the partners' vote on whether to move.

Once conclusions had been

reached, partners had voted to move buildings and the new lease was signed, a project working group was also established, which reported to a steering group (comprising members of the firm's board). The working group was responsible for managing the move process on a day-to-day basis and comprised members of the senior management team. In addition, the firm brought in an external consultant who specialised in office moves to support the internal teams.

Consultation and business case

The firm saw that this was an opportunity, not only to move buildings, but also to look at the ways in which people worked and collaborated – with clients and peers, as well as one another. It wanted to ensure that systems and working practices were fit for purpose and 'future proof'. It was recognised this was a specialist area, requiring an external party that could assess the situation and provide objective and expert input.

The business wanted a building that would reflect its status as a preeminent law firm. It was also essential that its brand identity – a 'distinctive' law firm – should be reflected in design choices; tp bennett was involved throughout this journey, from the space-planning initiative and staff consultation through to design and implementation. It liaised with all employees and worked closely with both the premises committee and the project

working group to understand requirements, concerns and vision.

The decision to either refurbish or relocate needed a business case that was evidential, not subjective. Having tp bennett provide an impartial and independent view of the business requirements and working practices was therefore very important.

This included a six-month phase of staff and stakeholder engagement, involving online questionnaires, face-to-face focus-group sessions, analysis of meeting room booking data, ethnographic and utilisation studies and a much-needed storage and filing audit. All of this data helped in understanding how things were operating, where efficiencies could be achieved, and the gap between the firm's starting position and long-term aspiration.

There will always be some nervousness about organisational change, and that feeling is not restricted to a particular level of seniority or age group. So it was important for the firm to listen to everyone's views, and that certainly helped to shape the requirements. One benefit of having professional advisers from outside the firm was their ability to provide an objective perspective based on hard data.

The right moves

A utilisation survey was undertaken, which demonstrated that, on average, only 48% of desks were being

> **Research showed that the highest occupancy for any department was 68%, so a decision was taken to move to an open-plan environment and hotdesk**

used at any time. This presented a clear case for working in a more agile way. It is hard to argue with that sort of evidence when considering the cost of renting and fitting out space that is ultimately unused.

The research also showed that the highest occupancy for any department was 68%, so a decision was taken to move to an open-plan environment and hotdesk. An '80% rule' was applied to the future accommodation requirements (each department had desks for 80% of its headcount). It is still a generous allowance in context of the 48% utilisation, but this also allowed for growth for several years without the need for additional space.

There was also wider market research, for example exploring what a number of accountancy firms that had recently moved – such as PwC, KPMG and BDO – had experienced, and speaking to managing partners of other law firms that had been through a similar process and adopted hotdesking.

We also learned a number of lessons from other organisations' moves. We definitely wanted to move away from a 'call centre' type environment, and

tp bennett was able to meet with each department several times to explain the concept of 'neighbourhood working' effectively, with basic visuals of what we were trying to achieve as well as what we were avoiding. That helped to answer a lot of people's questions and provide reassurances.

At the same time, the firm recognised it had become heavily reliant on hard-copy files over the years, which took up almost 12,000 sq ft of physical space. A significant piece of the project was the aim to reduce these files by almost 60%.

The firm has now moved to a more paper-light way of working, which also saw investment in a new document management system – NetDocuments. We adopted a clean-desk policy and introduced our 'considerate colleague' ways of working, which include only eating hot food in a new cafe at the premises, with further 'tea bars' on each floor to eat cold food. All the bins and recycling facilities are at the tea bars rather than desks. A competition was held for employees to suggest names for the future cafe, with all staff voting on which they thought the best. The winner was 'Ts & Cs', which has really caught on, and the cafe has proved to be a very sociable new space.

Tips for transformation

Change is not necessarily difficult if you plan and prepare. By 10am on the day of the move, everyone was up and running and working in their new building.

But there was a huge amount of planning that went in before the move itself. Strong internal communication was vital throughout the whole process. Regular e-newsletters advised staff what was happening, and there were departmental meetings to discuss any specific queries as well as some firm-wide presentations.

All employees also had a tour of the new building to familiarise themselves before they moved in. This was carried out in small groups, giving employees a sense of where they would be working and a chance to raise any questions, particularly in relation to their first day in the new space. For the first few weeks after moving we had information cards to help people settle in, as well as screens and maps to advise where departments were now located.

A final takeaway is to surround yourself with good people and take expert advice. We can have a tendency to think we always know what's best for our own business, team or clients. But, if you constantly challenge and keep an open mind, you might be surprised. ◢
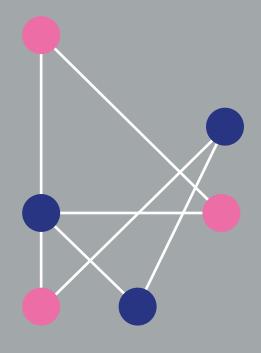
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Relationship refresh

PwC invested in Introhive's solution to give people a much clearer view of the intricate ways in which they are connected to their clients and prospects, say Tony Hodgson and Vicki Boaden

In 2019, PwC released its 28th annual survey on the performance of law firms, and their use of technology to drive efficiency, productivity and profitability was a key priority in the picture that emerged.

Private sector consulting partner Tony Hodgson summarises: "This year's research makes the case that the digital revolution and use of new technologies are absolutely at the heart of the change law firms need to embrace to transform their workforces, drive greater productivity and encourage innovation. They also need to increase the pace of change to stay competitive."

There are a number of long-term strategic challenges, however. "Funding transformation programmes can be problematic in partnership environments," says Hodgson. "And once firms have invested, employees need to embrace the change in reality and use the new technology to improve ways of working." If there's a poor ROI on this occasion, of course it will be that much harder to make the case for more investment the next time a potentially transformational opportunity comes around. This can call for a significant programme of "behavioural and cultural change" to run alongside the technical implementation of any chosen system.
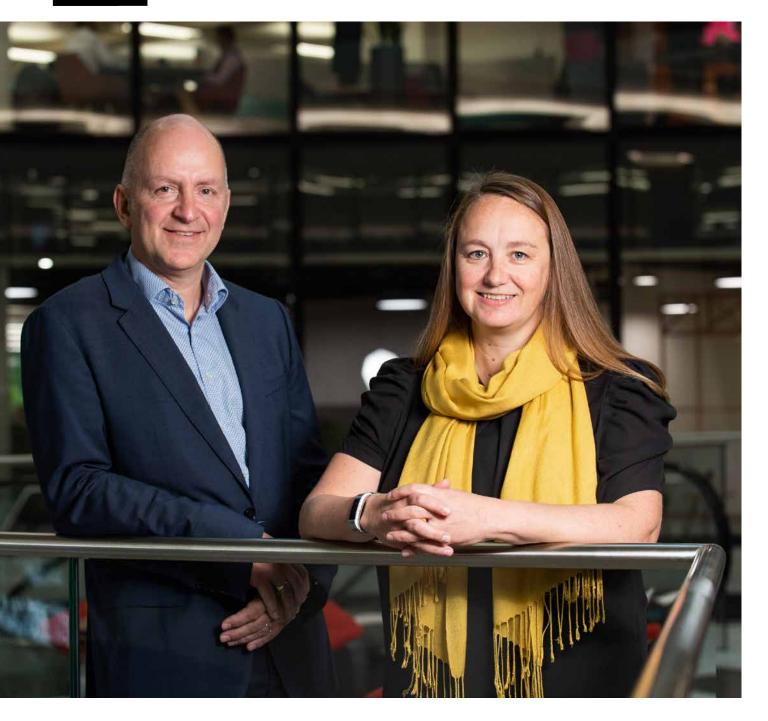
PwC's consultants advise on such matters, day in, day out. However, as a leading professional services firm, PwC has "taken some of its own good medicine" as well, Hodgson explains, investing in significant technology and process improvement, as well as the required behavioural change programmes, in several respects.

Transformational trickiness

One particularly significant transformation has been the implementation of Introhive, as part of PwC's global rollout of Salesforce, to manage information about the firm's vast networks of formal and informal relationships in a way that increases the likelihood of those connections leading to future business.

Vicki Boaden, change lead on the project, says: "The big driver from the beginning was to equip all of our people to be even more successful out in the market. By understanding more about the value and strength of individual, institutional client and other relationships, we can help people to work in smarter ways. Relationships are our channel to market and Introhive is now surfacing key relationship capital for us in ways that previous technologies could not."

She likens the potential relationship data challenge for firms like hers to her sons' box of Lego bricks in the attic – all originally coming out of different packages and sets, in different sizes and colours, but now finding themselves deconstructed and dumped in a single container. In order to hand this on to some other families that would be more likely to make good use of it, she'd somehow need to manage to put the pieces that really belong together, back together.

"Needless to say, it was all a rather time-consuming manual effort – often more 'lucky dip' than well-managed project," she says. "I thought, wouldn't it be great if I had a magic wand that simply sorted the whole thing out for me automatically? It's back in the packs and I can efficiently label and pass everything on."

Her experience of Introhive is that it manages to do something akin to this for global relationship management. "There are over 24,000 people working for PwC in the UK alone, and they all have relationships – professional, commercial, even personal. If they're all disorganised or unknown to others, we can't make good sense of them. They need sorting to make the right connections and combinations and build something meaningful."

"Relationships are our channel to market and Introhive is now surfacing key relationship capital for us in ways that previous technologies could not."

Vicki Boaden, change lead, PwC

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Vicki Boaden, change lead, PwC

Adding to the 'magic' is that the project team has already managed to get this happening across 100 of PwC's 157 international territories – some 80,000 users driving better insight out of a single data lake.

"It has already surfaced lots of relationships that we didn't even know we had – for example, connections that aren't linked to specific service opportunities," she continues. "Some of my own personal connections could be really valuable to PwC as a business in future, such as decision-makers from other businesses I know from trustee roles." Introhive can draw attention to such connections, and PwC finds ways to harness them for smarter business development. It's also useful for managing relationships in the context of regulation such as audit rotation, Boaden says.

Experience matters

As per Boaden's playful analogy, another way that PwC's ways of working have changed since having Introhive in place is that partners like Hodgson don't need to spend as much time adding and sorting their 'personal' data to enjoy the value of it. And the fact that it's removing administrative workload from time-poor professionals also drives the user adoption that we already know is critical for the technology to thrive.

"It's difficult to stay on top of changes to contact data and keep it accurate," explains Hodgson. "It's a lot of time and effort, and then there's uploading all contact information into any new system. However, the contact refresh I experienced with Introhive was fully automatic – I could do it in a matter of minutes, only pausing to consider whether a contact was one I really needed."

So, this particular piece of tech has certainly been designed in a way that has encouraged PwC's partners to use it. But he says change management

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and adoption have also been necessary, and these have been driven by the approach of the consulting team, which tackled this project much as it would if the outcome was designed for one of the firm's own clients.

"At PwC we talk about building BXT into the solution – business, experience and technology. Organisations often only focus on the 'T' in technology change, but you also need to build in thinking around the business objectives and purpose, as well as the experience you want to give people using the tech, whether employees or customers.

"The business strategy was to achieve greater and smarter collaboration, with more visibility of who's doing what, who knows who, and where – surfacing the detail of the relationship capital we can bring to bear. Introhive also brings a big user-experience play, with its simplicity and mobile-friendliness to make it part and parcel of day-to-day working life." As an example, people can have relationship alerts 'pushed' out at the time they're most useful, such as in advance of relevant client meetings.

"Technology today also needs to be intuitive," adds Boaden. "Teams didn't need to receive days of training on how to use Introhive because people are used to navigating by mobile. Instead we just had some very light, just-in-time sessions, and designed in certain prompts to encourage people to use it in particular ways and learn by doing."

She's now rigorously tracking adoption numbers while the rollout continues, as that is so key to the ROI. "But you can't assume that everybody will adopt in the same way, or at the same speed, because people don't all do their jobs in the same way. So it's also important to find and communicate success stories."

Try cleaning

Finally, in addition to automating the organisation and delivery of key relationship information, Hodgson says PwC UK managed to refresh its data pool by only migrating the information where it was confident of both accuracy and relevance. Data was able to be prioritised by recency of communications between people, for example,

> **"Organisations often only focus on the 'T' in technology change, but you also need to build in thinking around the business objectives and purpose, as well as the experience you want to give people."**
>
> *Tony Hodgson, partner, PwC*

and the firm looked back at that as a marker over no more than two years.

"If data in a system is wrong, it's then human nature that people will disengage," Boaden explains. And then they may also resist the associated marketing activity, for example, because they don't want to be responsible for sending information to incorrect contacts. "Whereas, the more confident in the data, the more confident people can be in their efforts overall."

PwC is now about to pilot using functionality in Introhive for a more regular data cleanse, and also explore the interplay of relationship scoring and pipeline opportunities that's possible.

But in the background, Boaden and Hodgson say it's continually a matter of building that all-important buy-in to the benefits of change even further – empowering people to make good use of a technology that can increase personal productivity and success, while ensuring the true value of the entire firm's relationship capital is regularly released. ◢

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▶ **INDUSTRY ANALYSIS**

Keeping pace

Rising client expectations of transparency and control are placing an ever-heavier burden on law firms. They need smart tactics to stay ahead, say Elisabet Hardy, VP of financial and practice management solutions, and Greg Nilsen, manager of product management, at Thomson Reuters

I t's been common knowledge in the legal profession for some time that law firms are having to 'do more with less' as budgets have tightened and competition has increased. But the idea is taking on added meaning. Overall costs and final outcomes, while still critical, are not the only data points that matter to clients. They now want transparency about the progress of legal work and insight (sometimes even input) into how it is being handled every step of the way. Meeting clients' growing thirst for knowledge and managing their need for greater control is essential to building stronger client relationships. However, doing so while maintaining profitability is a tall order.

Value and efficiency are the issues here. Often seen as a cost centre, corporate legal departments are under pressure themselves to demonstrate that they are getting the best for their company's money – and they need to prove it via 'real time' information. Periodic updates are no longer sufficient; every milestone is monitored, and status (and ROI) are under constant review.

Such a trend has both positive and negative implications for law firms. On the one hand, it suggests that clients are looking beyond a purely transactional relationship and seeking greater value-add from lawyers as business partners, which could generate enhanced commercial opportunities and competitive advantage. On the
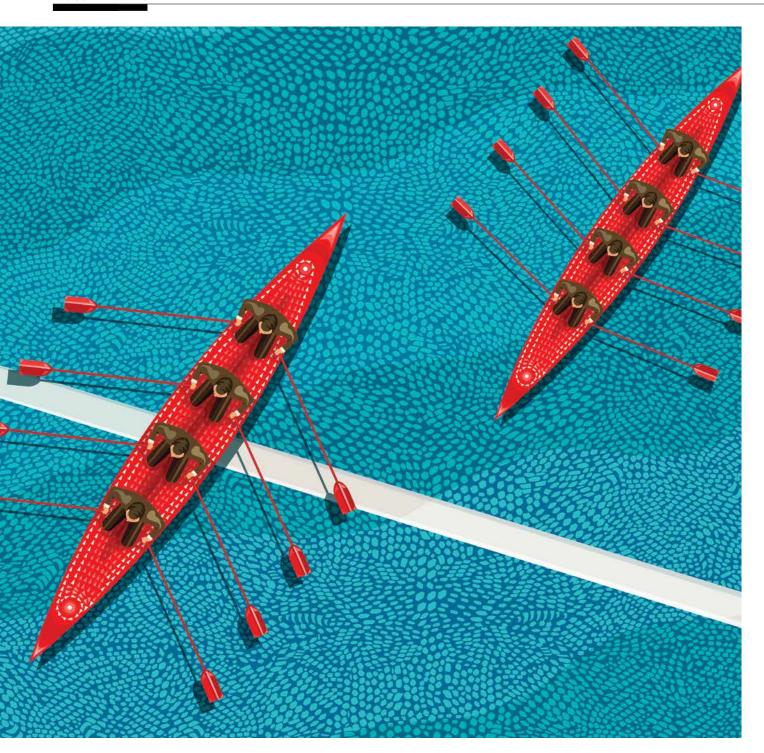
other hand, delivering this level of visibility poses a significant challenge, especially when clients' expectations are evolving all the time. Ironically, it risks creating an ever-greater drag on productivity.

Billing barriers

Nowhere is this more evident than in the proliferation of outside counsel billing guidelines, which corporate law departments have adopted with vigour in recent years and to which they are continuously adding. Born out of an impetus to guarantee value for legal spend, what was once a fairly straightforward process has become highly complex. As there is currently no industry standard, and guidelines can change suddenly, lawyers need to know what rules apply (and therefore what hurdles to overcome) for each client.

So, in addition to having to deal with the run-of-the-mill collection issues, billing departments must now do a significant degree of investigative work to determine why invoices are being rejected, why they have not been paid, why clients are auto-reducing invoice payments, and so on. Billers and lawyers must then spend more time correcting, resubmitting, revalidating and chasing invoices and payments.

The knock-on effect on cashflow is a major concern. Not only do firms need to invest more resources in managing the billing process – if the

work-to-cash cycle is extended, even by a few days, financial health can suffer. According to research last year by UK accountancy network MHA, the average lockup period is 120 days. However, reducing that by just one day could generate around £46,000 for the largest firms.
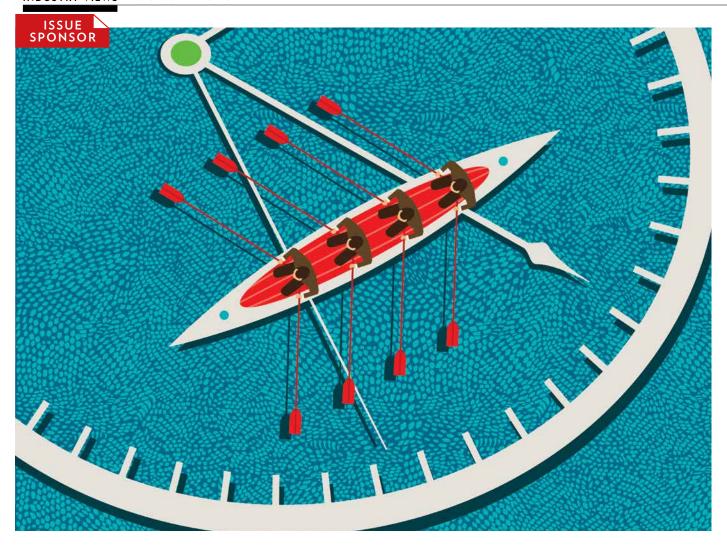
Easing the burden

Formulating a proactive strategy to streamline the process is paramount. There are three fundamental points that firms should consider:
• **Check compliance early and often.** Verifying billing data against the client's rules at the outset, at regular intervals during the time entry, proforma

Flagging that a lawyer is using the wrong code when entering time means it can be changed in seconds, rather than hours – if left unnoticed until a bill is issued

Elisabet Hardy, VP of financial and practice management solutions, Thomson Reuters

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Just because each client has different rules, that doesn't mean firms should find bespoke ways of dealing with billing issues whenever they arise. Quite the reverse: they should develop a uniform set of procedures

Greg Nilsen, manager of product management, Thomson Reuters

and pre-billing stages, as well as at the point of delivery, should be routine. The sooner discrepancies and errors can be caught, the sooner they can be fixed. For example, flagging that a lawyer is using the wrong code when entering time means it can be changed in seconds, rather than hours – if left unnoticed until a bill is issued.

• **Don't go it alone.** With each client typically updating individual billing guidelines at least once

a year, if not more frequently, keeping systems updated with all evolving requirements is a major undertaking. However, as corporate law departments typically use the same guidelines for all their legal advisers, firms could benefit from taking a more collaborative approach. For example, they could tap into third-party digital solutions that collate, house and automatically update vast volumes of rules from thousands of businesses, help establish compliance protocols, and integrate with other applications that firms are already using.

• **Develop a consistent playbook to handle issues.** Just because each client has different rules, that doesn't mean firms should find bespoke ways of dealing with billing issues whenever they arise. Quite the reverse: they should develop a uniform set of procedures. Creating a framework for best practice should lead to more streamlined problem-solving and achieve better outcomes for firms and clients.

Greater compliance and visibility

Technology has an important role to play in achieving all of the above. Billing solutions are rules-based, fast, consistent and can

simultaneously centralise information and automate labour-intensive tasks. For example, eBillingHub from Thomson Reuters comprises outside counsel guidelines for more than 7,000 corporate law departments – including more than 16,000 discrete rules – and integrates with the likes of 3E and other legal financial solutions. Hundreds of new rules are automatically added each year, and more than three million rule checks are carried out each month. Data analysis can help firms plan for emerging billing trends. For firms to conduct even a fraction of this work themselves is extremely time-consuming, costly, and prone to mistakes.

Digital solutions will come to the fore as the compliance burden becomes heavier. As companies and their general counsel try to eliminate problems before they happen and keep tight oversight of their legal work, growth in the number and complexity of client rules and expectations shows no signs of slowing down.

When it comes to billing, we are already seeing more abstract rules being applied to client relationships – and sometimes to a single invoice – such as limiting the number of partners who are allowed to be involved in the client's work. Currently, specific requirements that don't fit within established models still require manual review, but we see a major opportunity for artificial intelligence (AI) and machine learning to make a real difference. Clients are already using systems that apply AI to learn from rejection patterns, creating new rules that occasionally fail to appear within their formal guidelines. Lawyers will benefit from responding in kind, using software that deploys AI to learn these unwritten rules, such as by classifying rejections so they can be applied earlier in the process.

More widely, AI can be used to spot trends or uncover unforeseen problems that will help firms provide a better service for their clients. Lawyers can harness the data and knowledge that clients are increasingly requesting in order to be more proactive in their client relationships and demonstrate how they can add value above and beyond the brief.

As companies and their general counsel try to eliminate problems before they happen and keep tight oversight of their legal work, growth in the number and complexity of client rules and expectations shows no signs of slowing down

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Efficiency and effectiveness

Together, the growing use of automated solutions to reduce manual labour and save time, plus AI to provide deeper insights and identify better ways of working, should help turn the growing clamour of client demands from a threat into an opportunity. They can enable lawyers to become more efficient and more effective at the same time. As software solutions develop, they need to do more than just add more features and functions: they need to be designed with a view to making every business process that law firms undertake leaner and smarter.

Clients are taking control of their relationships with lawyers as never before, keen to be kept informed about exactly what is happening with their work and when. They are focusing intently on value and becoming increasingly exacting as to how issues like payment are handled. With fees already being squeezed, law firms can't simply absorb the extra costs of delivering this extra visibility and managing the additional complexity. Firms need sophisticated solutions if they are to remain competitive and stay on a sound financial footing. It's one of the most critical challenges facing legal professionals in the new decade. ◣

Billing bonus

Chris Cartrett, executive vice president at Aderant, says that firms are giving up on getting billing right – losing revenue in the process. He offers some guidelines for creating a more efficient new normal

T he global recession that we experienced a decade ago brought about disruption in many ways, not least the proliferation of new billing rules dictated by clients. Whether you call them outside counsel guidelines (OCGs), client guidelines, or just billing guidelines, the point is that the dynamics of the billable hour have changed.

Like any kind of adversity, you can fight it, complain about it, and ultimately let it define you. Or you can embrace it and say "let's figure this out". Aderant's 2019 law firm leader survey on OCGs revealed that an alarming number of law firms have changed their accounting model and have just, for example, accepted the fact that the firm's accounts receivable is only 80% collectible. In other words, they budget to write off 20% of revenue as a cost of doing business – and this is just the 'new normal'. That's crazy!

OCGs have become obstacles that firms are consistently tripping over. We hear things like "OCGs are too complex to manage"; "clients use them as a way to delay payment"; and "we are losing revenue trying to comply". It sometimes sounds like many firms are giving up. If you don't start removing these obstacles, or at least managing them, you are going to see your margins seriously injured.

Breaking the mould

This doesn't have to be the new normal. We've been looking into this situation for years and were the first time and billing solution provider to automate rules and guidelines throughout our billing modules. Our acquisitions over the past couple of years (BillBlast in 2018, and Bellefield in 2019) focus on finding a way through the maze and

removing the barriers to doing business that have resulted from OCGs.

In fact, beyond removing the barrier, we make the time and billing process a way not to just increase revenue realisation, but also to strengthen the relationships between firms and clients. The billing process is an invitation to communicate effectively with your clients and should not bring the finance department to its knees.

For the past few years, we have been aligning resources and developing our solutions with an eye on bringing billing guidelines into the law firm process not only at the point of intake, but throughout the billing and matter life. We've been analysing OCGs with our partners to uncover elusive information such as the number of time entries that are wrong or rejected; how much lost revenue resulted from these rejections; where the technology can be improved; and what processes firms can implement to address these specific issues.

We have identified several process improvements for firms, as well as technology improvements that we are on the cusp of making a reality:

Process improvements
• **Centralise** all guidelines into one repository.
• **Assign responsibility.** Someone needs to own the process and be empowered to ensure it is followed.
• **Create OCG summaries.** It's impossible to execute on OCGs if timekeepers don't know what's in them. A summary document should be created to highlight the most important components of the guidelines that must be adhered to.
• **Require affirmation receipt.** Summaries alone are insufficient. They have to be communicated to

billing lawyers and other key stakeholders who affirm their receipt.

• **Train lawyers.** In the quest to create higher-quality timecard inventory, and therefore streamline the billing process, timekeepers are the critical component. Appreciate that lawyers are working with multiple clients, and that remembering each unique set of billing rules can be challenging. Make them part of the process and summarise what is important to them.

Technology improvements

Technology can assist with managing compliance at almost every phase in the time entry and billing process. This will minimise opportunities for human error, allowing firms to optimise staff resources and prevent revenue lost owing to non-compliance. When you can leverage technology to address OCGs, you can:
• Automate compliance at the time of entry
• Notify timekeepers regarding approval rates
• Centralise your guidelines

• Manage the guidelines throughout the billing process
• Use AI for billing guidelines review
• Automate training programmes for lawyers
• Reduce rejections and appeals.

Lost revenue should be classified as unacceptable – especially when it can be massively reduced through effective process reevaluation and choosing the right technology.

People tend to turn every challenge into the 'holy grail of X'. While OCGs and billing compliance can be a complex undertaking, it is manageable. But it takes a commitment from firm leadership to address these complexities, and a technology partner that understands the challenges and is committed to solving them.

Insert your firm's percentage of lost revenue due to OCG writeoffs here ... and then do the maths. What does that translate to? How much more in profits per partner, employee bonuses and associate compensation does that amount to? Is that the new normal? I beg to differ.

▶ **INDUSTRY CASE STUDY**

Risk aversion

David Cassidy, head of technology at Travers Smith, explains why, in the age of GDPR and increasing regulatory scrutiny, DocsCorp's products are a must-have

L egal tech is a space known for innovation and rapid change. But certain legal technologies have come to be critical to how legal work is done – with lawyers depending on them for essential, everyday workflows.

Having worked in technology, in varying capacities, at Travers Smith for almost 20 years, David Cassidy has seen numerous legal tech products come and go but sees DocsCorp's product suite as falling squarely under this 'essential' category. Its metadata cleaning tool, a redaction solution, along with a tool that makes image documents searchable, have all not only led to efficiency gains but have also enabled the firm to keep on top of increasingly onerous data protection requirements.

Metadata removal

It seems like every month brings us a new story about data breaches caused by hidden metadata in documents – with the General Data Protection Regulation (GDPR) raising the stakes.

It was 10 years ago that Travers Smith first noticed that more and more firms were getting in trouble as a result of leaving hidden, confidential metadata in documents, says Cassidy. The firm itself was particularly concerned about certain types of metadata. "Things such as Track Changes and hidden rows and cells in Excel. It's so easy to leave changes in a document – we wanted software to reduce that risk," he says.

Given that hidden metadata also includes everything from author properties through to embedded objects, it can be near impossible for busy lawyers to keep track of what has been hidden.

Travers Smith turned to cleanDocs – which ensures that such potentially damaging metadata is removed from documents before they leave the firm. And it doesn't slow down the sending of emails (which could have impacted lawyer buy-in). "It automates the way that metadata cleaning happens, rather than giving lawyers a choice," says Cassidy.

Effective redaction

Redaction is, by definition, meant to hide sensitive information – such as credit card details and national insurance numbers. And increasing

"You can edit the document in multiple places, have multiple versions, and then simply compare them to see the changes before sharing it with the client."

David Cassidy, head of technology, Travers Smith

regulatory requirements behind the need to redact means huge (again, newsworthy) risks associated with improper redaction.

Cassidy recalls that before Travers Smith started using pdfDocs (around 15 years ago), lawyers were either not doing redaction at all or were doing it incorrectly – for example, by drawing a black box over a word. This method meant that the text could be exposed simply by copying and pasting it into a new document. With the redaction feature in pdfDocs, the redaction is 'burned' into the document – with no way of uncovering the redacted data.

Searching images
He is particularly enthusiastic about the efficiency gains realised using the tool's 'find and redact' feature. "If I have a 10-page document, for example, I can search for a word all the way through and just redact all instances," he says. And in terms of GDPR compliance, it has proved invaluable for redacting all mentions of someone's name. "A lot of our teams, such as employment, work on documents that mention a lot of names or departments," he says.

If a firm is looking to realise the efficiencies of being digital-first, image-based documents failing to show up in searches is a huge oversight. Four years ago, Travers Smith found that it had lots of scanned documents on its system, but the lack of a text layer made them invisible to searches. "A lawyer couldn't find a contract that they had done years ago," says Cassidy.

It was to reduce such inefficiencies that Travers Smith went with contentCrawler – a tool that goes through and adds that missing text layer to pretty much any type of document. Over the course of a year, contentCrawler 'OCRed' 10 million legacy documents. The benefits have been dramatic. "It exposes much more content in searches. And,

more recently, if a document goes in that isn't text-searchable, the tool will automatically make it so," says Cassidy.

Under GDPR, a firm must be able to find every document that relates to a client, so contentCrawler can be seen as a necessity for regulatory compliance. "It helps us identify documents more quickly. So, if someone asks for all of their documents, we just search for their name," says Cassidy.

Document comparison
It was the need to move beyond time-consuming manual comparison that first brought Travers Smith to DocsCorp 15 years ago (the firm was actually one of its first UK customers to take on its comparison tool).

Travers Smith trialled compareDocs and was impressed with its ability to make a critical workflow both quicker and more accurate. "You can edit the document in multiple places, have multiple versions, and then simply compare them to see the changes before sharing it with the client. Also, we can quickly see what the client has added," says Cassidy.

And by improving accuracy, compareDocs plays a key role in risk management. Cassidy remembers a time when personal assistants would decipher the comments and enter them into the document. "A clause could end up in the incorrect location in the document or have the wrong wording," he says.

A close relationship
Cassidy is also impressed by the close relationships that DocsCorp fosters with its clients. "They are very accessible, and support is available globally," he says. DocsCorp's high staff retention rate also goes a long way to what he describes as a "family feel" to working with the organisation. "You talk to the same people that you did 15 years ago, although they are in different roles," he says.

More importantly, he is also full of praise for DocsCorp's practice of actively listening to what clients tell them that they want to do next. "When developing something they think might be useful to us, they are quick to get our views before they go to market," he says. One issue on his mind lately is document comparison. "We are seeing so many versions of comparisons now that lawyers are struggling to compare them! DocsCorp is now doing things with document comparison to bring the changes together into one version," he says.

◤ **INDUSTRY ANALYSIS**

Cloud on the horizon

Tony Cox, chief sales officer at Peppermint Technology, says that law firms need to consider their long-term cloud technology plans

Y our clients are demanding more than ever – with increasing expectations of greater pace, smarter engagement and better value. In today's fast-paced environment, many clients are not prepared to wait and will sacrifice longstanding relationships to get what they need. No surprise then that firms that have been slow to react to change are becoming exposed to greater risk of client churn and are finding it harder to secure new business.

As a result, the legal sector is seeing a trend towards becoming more agile – which raises leadership, cultural and technology challenges, especially for traditional business and decision-making models. Only those who successfully recognise and address these challenges will be successful in delivering better business outcomes for their firm and its clients.

Time for transformation

Everyone recognises the impact that advancing technology has on our lives and businesses. However, not everyone agrees on the best approach to implementing change. Previously, there were limited options available and disparate IT solutions had to be stitched together using old architectures and techniques. This approach is fraught with difficulties and typically results in a 'present-focused' solution that is not future-proofed for continued advances – possibly locking firms out of the potential performance gains that modern cloud software can deliver, which firms and clients urgently need.

While you can put an electric motor in a Ford Cortina and call it an electric car, the result is certainly no Tesla! The majority of legal software in use today was conceived before cloud computing became available and, while some vendors claim to be able to provide their old software from the cloud, it wasn't built with that in mind. It will always be functionally suboptimal and unable to keep pace with the rate of innovation that clients increasingly demand and only true cloud platforms can deliver.

With the extraordinary progress modern cloud platforms provide on an almost daily basis, cloud software is no longer just for the few. Traditional hosted software is increasingly more isolated and difficult to maintain. This, in turn, leads to more negative consequences, including greater opportunity cost, more risk in service delivery and a reduction in data security. True cloud software delivers an ease of use and access that older systems simply cannot provide.

With the inevitable march toward a market populated by alternative legal businesses and bigger law firms that merge with, or acquire, less agile and technology-savvy competitors, it's no surprise that Peppermint has seen a step change in engagement from the legal market. In particular, large law firms are recognising the urgent need to modernise legal technology to enable them to deliver more responsive, efficient and innovative services to their existing and potential clients.

Microsoft's cloud services (including Power Platform, Dynamics 365, SharePoint Online and Azure) provide the scalability firms need to deliver services globally with the security and data-privacy capabilities that clients demand. In addition, Microsoft cloud services and the Peppermint platform are delivered through a familiar interface, which supports the modern workplace and enables users to securely access services anywhere, anytime, from any smart device. Microsoft's cloud services also provide the basis for firms to unlock the essential power of

For more information, visit:
www.pepperminttechnology.co.uk

Digital self-service provides instant access to key information, meaning that clients can find out what's going on 24/7

artificial intelligence and machine learning to streamline business processes and enhance service delivery.

These advances, alongside the power to use a 'single source of truth' that can inform better decision-making, deliver genuinely improved all-round business outcomes.

Long-term tactics

Making the right choice for today, tomorrow and the day after is essential when selecting technology to drive a business forward. Firms are no longer compromising on their technology solutions, and those making the right move are choosing a platform, or 'engine', that is fit for purpose. In the legal mainstream, the essential platform of choice is now the Microsoft cloud – through which Peppermint delivers all of its services.

As a result, these firms are reaping the rewards of a boost in productivity and improved quality, accelerating business processes and creating consistency across all aspects of their business. Removing paper processes or siloed technology stacks means data is represented in a single place, enabling and encouraging visibility across the board – for fee earners, senior partners and the leadership team. This results in a more transparent window to understand clients and the overall business.

Lawyers and other professionals are released from transactional activities and can spend more time generating real value for clients – where their experience is much needed. Modern working practices mean they can access information when and where they need it, ensuring they always have the latest information and insights ahead of client meetings, improving the client experience. Digital self-service provides instant access to key information, meaning that clients can find out what's going on 24/7, while costly, time-consuming processes like printing and mailing of documents are removed altogether.

A modern cloud platform is no longer for the future: it is an essential modern technology that enables firms to outperform the competition and win more business. Embracing this approach enables firms to build a wealth of client understanding, resulting in a higher-quality service that differentiates them in the market, offers strategic value to clients, and nurtures relationships that help win and retain more of them for the long term. ◢

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Do you mind?

Briefing editorial assistant Josh Adcock went to November's This Can Happen conference on mental health, and heard stories from in and outside legal

I n November 2019, **Briefing** attended the second annual This Can Happen conference at the QEII Centre in Westminster, focused around mental health and wellbeing. Although the conference encompassed many industries, legal had a strong showing in the sessions, including one devoted exclusively to lessons learned within the sector.

Some common patterns emerged throughout the day: many sessions touched on the importance of grassroots efforts and cultural change. Enterprise architect Mari Thorman at HSBC explained how she had voluntarily pioneered a mindfulness scheme – while it started with a "groundswell" of people across the business, it eventually required professional support, she said. "We needed to buy in external mindfulness experts, but cultural change has to be driven internally."

However, we also heard plenty about the need for leadership buy-in and support. Anushka Davies, head of talent and diversity at software business Softcat, said in the same session that sending senior managers on mental health training schemes was a good way to get leadership support. "It opens people's eyes. Knowledge is power – and it helps people recognise red flags." She added that one of the most successful elements of her company's wellness programme was the sharing of personal stories on a company intranet. She also urged CEOs to share their personal stories: "Leaders don't have to look totally invulnerable."

That was a take-home that many in the legal industry had learned, too. In the Lessons from the legal profession panel, a number of partners and legal business leaders echoed the importance of eliminating preconceptions around 'weakness'.
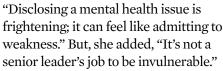
Oliver Walker, partner at Weil, Gotshal & Manges, outlined the difficult balancing act of workplace stress: "The challenges are often what appeal to people about the industry, but being suited to a job doesn't mean being suited to its effects."

That abundance of challenges was no stranger to James Gray, a partner at Withers & Rogers. At one point in recent years, he said he was "buried in work" and had to temporarily step back from the business. "I thought, mistakenly, that everything I was working on would grind to a halt without me – so I delayed seeking help." Opening up about those experiences, at all levels, is more important than ever, the panel agreed.

Though some of the challenges faced by barristers are unique, Rebecca Priestley, CEO of Outer Temple Chambers, raised many parallels with the ethos often found in law firms.

> **"Disclosing a mental health issue is frightening; it can feel like admitting to weakness."**
>
> *Rebecca Priestley, CEO, Outer Temple Chambers*

"Disclosing a mental health issue is frightening; it can feel like admitting to weakness." But, she added, "It's not a senior leader's job to be invulnerable."

Again, the importance of management taking mental health seriously was raised. Moira Slape, HR director at Travers Smith, explained that four years ago her firm instituted a wellness scheme as part of the managing partner's drive to empower business services leaders, like herself. "There weren't the resources before," she said. Matt Morgan, partner at Pinsent Masons, agreed that getting "authentic senior buy-in" was crucial.

In another session, we also heard how businesses had tackled the internal comms challenges around mental health. Although it started with "zero budget", Karen Baxter, a partner at Lewis Silkin, outlined how her firm had capitalised on both volunteer goodwill and leadership transparency in its 'This place minds' campaign.
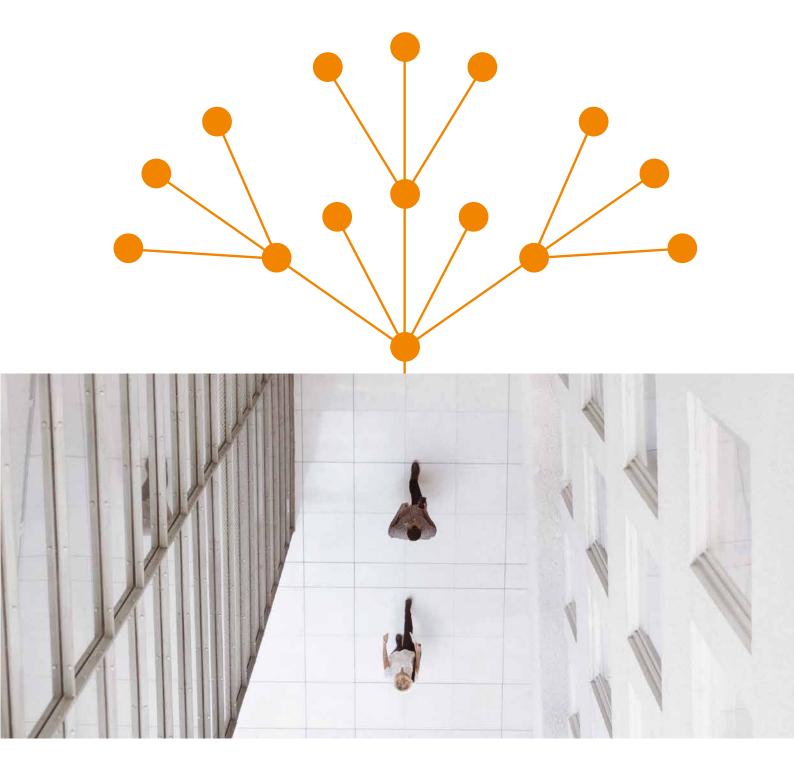
Much like at HSBC, "keen amateurs" led the way – but one big win was getting several partners to pen blogs about their mental health experiences, including one who wrote about their daughter's struggle with anorexia. The power of those personal stories, she said, made others open up. "People told me: 'I knew people wouldn't pity me – it was safe'."

Much more was packed into the day-long event, but a common thread throughout was the need for leaders to take risks – including the risk of being vulnerable. As Walker put it, the legal sector in particular is on the right track, but "We'd like to go faster." ▶

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