### OCTOBER 2017

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BOOK REVIEW Moore Blatch's BD and marketing director reads Digital Vs Human

## Change up

Transformation is vital for business, but people don't like it. How can legal leaders break through the status quo and make it stick?

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## WELCOME

Culture eats strategy for breakfast. If managers can't get people on board for change, it goes dead in the water.

Resistance is futile. If you're a Star Trek fan, you'll know this is what a race of cyborgs called the Borg say when they're about to assimilate people into their 'collective'. They say this because they're ruthless in their quest to become more adaptive and powerful – and having more people on-side helps them do that, so they ensure people are powerless to resist the transformation. Legal management leaders should be a bit more like the

Borg when it comes to change management. People don't like change, but it's necessary for legal businesses that want to adapt and survive in a competitive market and it can't happen if it's not accepted or driven by those who keep the ship running. There may be some ethical or legal problems putting cyber devices in your employees, like the Borg do, but it's important to be relentless in getting people on-side and driving the change. Find out more in this month's feature on p32.

Persistence is also useful when pushing yourself to do something challenging that you've never done before. Head of finance and operations at Needle Partners Grace-Ann Pickles will tell you about learning that lesson while climbing Kilimanjaro (p30).

We've had some change ourselves at LPM – another columnist has joined our ranks. Gemma Garen, head of quality and compliance at Ellisons Solicitors, has written this month about the benefits of being a 'manager in motion', p17. Getting better insight into how the business operates could help future change projects.

And remember to have a little Borg in you when implementing change – just not physically in you ...

Patrick Wingrove, editor @LPMmag | patrickw@lpmmag.co.uk



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#### REAR VIEW





"People don't like change, but it's necessary for legal businesses that want to adapt and survive in a competitive market."



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#### IN PRACTICE

IN PRACTICE

### **SNAPSHOT** MORBID OUTLOOKS

onveyancers may well have been looking forward to the start of this autumn, because it's not just umbrellas that go up as the wet weather sets in - house prices and conveyancing work typically do as well. But property values this year have been left deflated after the **biggest fall in September prices for four years**, and inevitably conveyancing firms haven't fared well in such conditions.

According to a survey from market tracker Search Acumen, which uses Land Registry data, **conveyancing work has fallen to its lowest level in three years and the number of firms actively doing the work has hit a record low**. Conveyancing volumes sank by 14% to 210.964 in the second quarter of 2017

210,964 in the second quarter of 2017 and the average monthly caseload per firm dropped by 13%.

Though this news certainly isn't great for firms, it may not have them shaking in their boots like the prospect of competition from other professional services firms. According to a benchmarking survey by accountants Crowe Clark Whitehill, **City and regional firms agreed that rival professional services firms, particularly accountants, presented the greatest threat to their livelihoods**. This fear may have been spurred by news in June 2017 that accountants had the green light from the Legal Services Board to offer all legal services. They may see this as a

the Legal Services Board to offer all legal services. They may see this as a 'bad thing', but see what other law and accountancy firms say on p5. The perceived danger posed by alternative business structures was low.

alternative business structures was low by comparison (funny how things change) – and that could be just as well, because it may soon be easier for firms to get an ABS licence. **The Chartered Institute of Legal Executives has become the latest legal regulator to apply to license ABSs** – meaning firms regulated by CILEx could have nonlawyer ownership or investment. Research of CILEx members in 2015 showed that almost half (48%) were



positive about the idea of operating as an ABS.

Of course, these aren't the only changes on the horizon – but for one regulator, change isn't coming fast enough. The Competition and Markets Authority is concerned at the pace regulators are planning to introduce greater price

transparency, it emerged in September. In minutes of the remedies programme implementation group, which is co-ordinating the regulators' response to the CMA's demands, director Sharon Horwitz said the authority was "keen not to lose momentum" and that trials or pilots should be used in advance of wholesale regulatory changes.

How law firm people saw accountants before and after they got the green light to offer full legal services.

### Still not GDPReady

A survey of 100 businesses in England and Wales reveals that only one in 10 businesses is ready for the GDPR.

Only



had updated privacy policies



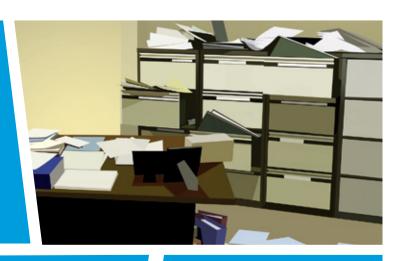
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Source: GDPR survey launched by Blake Morgan Would you like your practice to be paper lite?



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ACCOUNTANTS It's difficult to see any good news for law firms here, since it opens up their domain to increased competition from other professional service providers. Increased competition tends to negatively impact prices, however, which would be positive for consumers of legal services.

The impact at regional level and for smaller firms and their clients may not be so apparent though, as setup costs and the disturbance potential for existing crossprofessional relationships may deter accountants from taking the opportunity. Certainly at McBrides we have no need, nor desire, to tread on the toes of our legal cousins, with many of whom we have excellent working relationships.



### PAUL BENNETT

PARTNER, AARON AND PARTNERS

Accountants having the option of offering all reserved legal services will help some law firms and hinder others. It will almost certainly lead to accountants focusing on the less complex, more process-driven work. This is the work many law firms don't want to do, but accountants can do well given their wider financial work. This will enable some firms, particularly those with highly skilled lawyers and who focus on complex work, to concentrate on niches of work that are more profitable for the firm. For highstreet law firms undertaking less complex work, the move is a negative one as it may reduce the volume of basic work they receive.



With the news that accountants have had the green light from the Legal Services Board to offer all legal services, we ask LPM readers:

"Could accountants with a full legal services offering be a good thing for the legal industry?"



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### SHIRLEY BROOKES

### HEAD OF LEGAL, PWC

I don't think it will make any difference. If accountancy firms want to offer legal services

they already have a route to do that through the SRA and multi-disciplinary partnerships. Going down that route does mean that accountancy firms have more regulation to deal with, but I don't see that being the defining factor for whether they offer legal services or not. But I do think that the manner in which legal services are being delivered - the options for clients to buy legal services in different ways through alternative providers using technology - means the whole legal industry could be up for change.



#### **RICHARD STEPHENS CO-FOUNDER AND**

PARTNER, PROELIUM LAW This change, if it is approved, will mean accountancy firms can have in-house lawyers who conduct litigation. It seems to us that this will only change how the legal services are delivered, as lawyers will still be conducting the legal work. So we are comfortable with the concept, but then we are an ABS and already offer specialist skills to clients alongside the option of legal advice where needed.



#### PETER JONES

**BD MANAGER**, **BREEZE AND WYLES** I asked a solicitor I work with

for their thoughts on this question. They said that it is a terrible thing for the legal industry and it really demotivated them as they had taken on a large amount of debt and spent considerable time training to become qualified to practise legal services. This rings alarm bells for me, in that it is a good indicator it will create a mix-up in the market, giving traditional firms the nudge that they need to take on a more adaptive business structure and be innovative and change with the times. Their iceberg is melting ...



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### MORE MONEY IN PRIVACY

Dr Edina Harbinja, senior lecturer at Hertfordshire University, on mapping the desire for post-mortem privacy and potential new wills and probate markets

What do you mean by post-mortem privacy? Most countries have legal systems that allow people to decide what happens to their wealth and assets when they die - but that right hasn't yet been extended to digital wealth. The Data Protection Act 1998 expressly excludes the protection of an individual's personal data after they die which digital assets are mostly comprised of. I and my colleague Professor Lilian Edwards have argued in our research that there should be a mechanism to address this inconsistency and protect the deceased's digital assets.

Have you found that there's a desire for postmortem privacy in the UK?

There's currently no empirical research for the UK - but based on recent developments in other European countries such as France and Hungary as well as the US, I suspect there is. A solution was adopted in France with the Digital Republic Act 2016, for example, where the law recognises software tools for the post-mortem transmission of digital assets including Google's Inactive Account Manager, which allows requests for accounts to be

deleted or to have data passed on to beneficiaries should it go inactive for a period of time.

If post-mortem privacy were adopted, would it enable UK firms to offer new and perhaps lucrative services?

Yes, certainly for digital Awills. At the moment, digital wills aren't recognised at all in the UK, but should they be, individuals may want a way to ensure they have a say over what is done and who has access to their personal information communications and photographs online. As people share more and more of their personal lives on the web they're beginning to realise the growing risk of their sentimental keepsakes being locked up forever, or their family, friends or heirs gaining unwanted access to intimate records. In 2015, 38% of people surveyed in England and Wales said they had a will and if those people could be offered wills for digital assets it could potentially be a significant

revenue stream for firms. The Law Commission has recently opened a consultation to propose a comprehensive reform of law related to making wills, and this is an opportunity to advocate for digital wills and digital assets.

How can firms know if there's a market for wills? By speaking to their clients. My colleagues and I don't have much data on whether people might want digital wills, but there's nothing to stop firms engaging with clients to find out. If legal businesses accumulated enough data, the Law Commission might re-evaluate what constitutes assets and to what extent privacy after death should be protected.

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## ANTI-SOCIAL MEDIA?



Polly Jeanneret, LPM's HR guru, on offensive social media posts and employment tribunal fees

I read about a solicitor being suspended by the regulator for posting antisemitic comments on Facebook. One of our lawyers has rather colourful posts, which are borderline offensive. Surely we are within our rights, therefore, to ask him to stop posting this stuff?

Ah the joys of AFacebook! How it shows us so much we would rather not see. The problem is that Facebook cases are very fact-sensitive. You may think you are within your rights based on the antisemitic case but it will depend on all

sorts of things such as: are the posts actually discriminatory or defamatory, or are they just rude? The solicitor in question wrote on Facebook what a shame it was that a plane carrying Jewish refugees hadn't blown up, and described Israel as a war criminal. Does your lawyer refer directly to your firm on Facebook or the fact that he is a lawyer? The individual in this case called himself a solicitor on the site. What are the lawyer's privacy settings, and how popular is he? Have you got a social media policy (ahem!) and

has this been brought to the lawyer's attention? How have you treated other staff who have posted equally gross things? All of these points are relevant. See how tricky it is?

#### Employment tribunal fees have been ruled unlawful. So, are we going to face a barrage of new claims?

It was certainly a Adramatic moment in the HR world when the Supreme Court found in favour of Unison's case against fees. So far the Ministry of Justice has not said what its next move will be. Practitioners don't believe that fees will be abandoned altogether, just reduced, so let's not panic. But if you look at the number of cases before fees were introduced and then after, the effect was absolutely staggering. From 195,570 in

the second quarter of the financial year of 2012/13 to 43,951 in the first quarter of 2013/14 - that's a 79% decrease. It is unlikely that we'll see a return of pre-2012 numbers and claims have already climbed back up from that 2013/14 low: there were around 83,000 cases in 2015/16. So, we may not feel much difference in the immediate term. But of course, in the not too distant future we will no longer be a member of the European Union and so, frankly, no one has any idea what anything will be like after that.

Polly Jeanneret is an expert in HR and an employment lawyer at Halebury to boot she's seen and heard it all.

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### **BOOK REVIEW**

## TECHNOLOGICAL TENSION

n the past, humans and technology have lived side by side - but in his latest book, Digital Vs Human, Imperial Tech Foresight futurist Richard Watson paints a picture of the future where the two will become increasingly intertwined. In fact, the author argues that technology could impact the very heart of what it means to be human. But what really made this book stand out for me was that far from looking at technology in isolation, Watson takes a very human approach to his analysis of what the future may look like.

In Watson's 2007 bestseller Future Files he argued that advancement and progress is an inherent part of what it means to be human. But less than 10 years later the author argues that circumstances have changed considerably, because for the first time technology could impact those aspects of human life previously thought to be unassailable. Al and automation may be just the start of a journey that could see machines outclass humans in every way. But what does that mean for humanity?

Watson warns of a future where many job roles may become irrelevant in an increasingly digital economy, while a few people at the top accrue vast wealth. For this and numerous other reasons the author urges us to pause for breath. Technological advance is undoubtedly 'progress', he says, but progress towards what? To support these arguments, the book is littered with interesting facts and stats that figuratively stop you in your tracks. For example, for every \$1m Amazon makes, the business employs roughly one person. Think about that.

It's consistently said that technology impacts every aspect of our lives and will continue to do so, but Watson really brings home what that will mean – which is a recurring theme of this book. Relationships, friendships, healthcare, work, education, transport, the home – every area is meticulously examined. Watson says that education in particular needs to change if the future workforce is to adopt the skills that will be more in demand as technology continues to take hold.

But this is far from a a picture of a dystopian future. Every dire warning is balanced by the range of benefits digital advancement can bring – and there lies the book's key message: we shouldn't accept all advancements without serious discussion and debate of the ways in which they can, or should be, implemented to ensure our world changes for the better.

The wave of advancement we're experiencing now, he argues, is unprecedented in modern history and as such



Digital Vs Human: How We'll Live, Love, and Think in the Future by Richard Watson



Reviewer: Mark Aston, business development and marketing director, Moore Blatch

Publisher: Scribe UK Publication: April 2016 Price: £14.99 the past can't necessarily act as a guide. We shouldn't blithely accept the future, but work proactively to shape it.

Watson's predictions about where tech could lead us are firmly rooted in the technological developments we are seeing take shape now. So, while his predictions are seemingly ambitious at times, they are easy to believe. And that's why this book so often strikes a chord. Some of our current technology, Watson argues, was devised with that future in mind. Uber, for example, may have been conceived as a service for driverless cars.

But, as the author points out, the biggest hurdle facing driver automation is not new inventions, but how the law and legislation can be revised and devised to cope with unforeseen events such as someone hacking a vehicle and accidents. Elsewhere the book drives home the need for greater enforcement of copyright and IP laws. As Watson makes clear, the future is closer than we think and we must make sure legislation and the law don't lag too far behind. Plus, as the law develops to meet new tech, there may be new types of legal work for law firms to get into.

Perhaps the most striking tale in the whole book is of a school in Silicon Valley where employees from companies such as Google and Apple send their children. Far from being full of computers and iPads, the school uses blackboards and books on the argument that 'computers and learning don't mix well'. Those at the cusp of what lies next are choosing to educate their children in a tech-free zone.

There is no doubt that Digital vs Human is a thought-provoking book that will spark much debate. As law firms grapple with new technologies it's one I highly recommend.



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### CAN LEGAL LEARN FROM SPORT? STEVEN TREHARNE, MANAGING PARTNER

ritish cycling has experienced a rough ride recently – with allegations made of bullying, discrimination and a 'win-at-all-costs' mentality. But the history of the sport evidences success, with 22 Olympic gold medals won over the past three games, and four Tour de France winners over the past five years. This winning-at-all-costs environment and culture may or may not be right for SME firms, but there are certainly a few nuggets we can broadly take from sport.

First, purpose – any old management book will espouse the virtues of having a purpose. Making money, in my view, is not it. Profit is like breathing, you don't jump out of bed in the morning shouting: "I can breathe, I can breathe!" There are greater motivational factors.

Olympic rower Matthew Pinsent said during his preparations: "Everyone had one goal, to make the boat go faster, and nothing would stand in the way." That was their purpose, not to win medals. By everyone he didn't just mean athletes but coaches, nutritionists, masseurs, engineers and kit designers – they all knew their role, understood why they were important and what they were aiming to achieve. Do our people have the same clarity and can they articulate our own firm's purpose? How many of our business plans are written in such a succinct and unequivocal way with clear, measurable outcomes?

Next, culture - easy to fix on a common purpose when you have seriously motivated and dedicated professional athletes. Work life may not be like that. The Maoris have a saying: "A little water seeping through a small hole may swamp a canoe." James Kerr in his book Legacy tells how the All Blacks moved this concept on. The team deconstructed and reconstructed the right culture for them after crashing out of the 2007 Rugby World Cup, allegedly suffering from a drinking culture. Their mantra, which holds true today, is: no matter how good a player you are, if your attitude and behaviours do not culturally align with the team, you won't play. How robust are we at tackling that type of problem (usually caused by a highbilling partner)?

Control the controllable. Chris Boardman, prior to the 1992 Olympic individual pursuit gold medal race, sat beneath the main stand feeling the pressure. He was unemployed, broke, married with two young children, crippled with nerves and about to go out and race in front of an estimated 62 million viewers worldwide. Rather than be concerned with the strength of his competitor or any other extraneous factors, he focused on what he could control – his breathing, his pace and his heart rate. He went on to win gold and break the world record.

Dr John Coates, of Cambridge University's neuroscience department, found that there are three primary causes for stress: novelty, uncontrollability and uncertainty – for us this may translate as fear of Brexit, Donald Trump's actions or Scottish independence, but we're unable to control or influence any of that. Equally, we cannot control our competitors, new entrants or our excessive compliance burden. We can, however, dictate our purpose and create and enforce a culture that will help us to be successful. Like Boardman in Barcelona, we can take control of our futures by ensuring we and our firms are the best they can be – with everyone helping the boat to go faster.

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### MANAGERS INMOTION GEMMA GAREN, HEAD OF QUALITY AND COMPLIANCE

Hotdesking is an example of a simple and effective technique for leaders to stay moving and connect with business needs.

nnovation sometimes emerges through revolution, but most of the time it comes from evolution. Against the backdrop of innovative technological revolutions, SME law firms have evolved their working practices – and one such evolution is the growing adoption of hotdesking. Although it's far from being universally accepted, hotdesking is steadily gaining momentum in SME legal and forming part of the mainstream response to competitive cost pressures.

But beyond mere cost-saving and agile scaling benefits, hotdesking can be a platform for effective innovation. I, for example, use hotdesking to practise 'management in motion' – a set of values and practices that encourages business leaders to move about the business. Becoming a more mobile manager through hotdesking has considerable benefits, including sharpening leaders' overview of the business so they can identify trends and avoid traps of complacency. Hotdesking is an example of a simple and effective technique for leaders to stay moving and connect with business needs.

So, why is managing on the move a good thing for SME law firms? Two recent case studies of my success with managment in motion are illustrative of its key benefits. The first is that because I've elected to have no designated desk I spend my time in the office working among different teams in different branches – Ellisons personnel are now used to my daily 'hunt' for a desk to sit on. Over time, a growing confidence has grown among employees to reach out to me with concerns or innovative ideas. They feel that I have a meaningful connection to the issues they raise because by hotdesking I've immersed myself in the day-to-day 'current affairs' of their working lives. Secretaries and other support staff, in particular, are often overlooked by management as fountains of knowledge, and consequently shy away from expressing innovative ideas. But because I spend some of my time with them, I have meaningful conversations and I'm in a position to listen to their ideas.

Examples of their proactive ideas range from the merely stylistic (better cutlery in the office kitchen) to meaningful and substantive improvements to the firm's working practices (clever mnemonics for our internal compliance and filing systems, for example). Most importantly, while going through a period of rapid expansion, our support staff are more engaged and happy to point out blind spots in our change programmes.

The second key benefit of management in motion is that by keeping on the move I have an unparalleled opportunity to identify hidden talent within the business. For example, by hotdesking in the office of an incredibly efficient fee earner, I discovered that he was a 'diamond in the rough'. As such, I recommended that his leadership skills be nurtured much earlier than initially intended. Accordingly, his overall contribution to the business is increasing and he's now leading a team and going beyond merely fee earning.

Encouraging SME management leaders to practise techniques of management in motion through the medium of hotdesking can strengthen the firm's ability to innovate and take advantage of the continuing and countless evolutions in our industry.



Gemma Garen Head of quality and compliance Ellisons Solicitors www.ellisonssolicitors.com



#### Revenue: £13m

*Corporate status: Partnership 89 fee earners, 180 total staff Offices: Colchester, Ipswich, Clacton, Dovercourt, Frinton* 

### CANWE BE BETTER THAN THE BBC? EMMA SELL, PRACTICE MANAGER

n the same day that the SRA opened its portal to upload law firms' diversity data, the BBC published its pay report – and, well, we all know what happened there. The SRA diversity questionnaire doesn't require firms to include details of its employees' salaries or bonuses – yet. But I wonder how many HR or compliance officers were reading the reports and gossip coming out of the BBC as they diligently uploaded their data and thanked their lucky stars that the SRA doesn't insist on that level of reporting.

Most of LPM's readership will be excluded from the obligations of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, which came into force in April 2017 and requires companies with more than 250 employees to publish and report their gender pay gap data and provide a written statement on their public-facing website. Unlike the BBC, this data is anonymised and will set out mean and median figures and the proportion of men and women receiving bonuses together with the proportion in each pay quartile.

Given that the gender pay gap currently stands at 19.1% it will be interesting to see if the requirement to collect and publish this data has caused companies to narrow the gap.

What does this mean for SME law firms like ours without this reporting 'burden'? On a literal basis, nothing at all – but from a strategic point of view there are benefits to carrying out this exercise and drilling down into the results to see what lies behind any disparity.

There could be many reasons women's pay currently falls short of their male counterparts. There might, for example, typically be more women filling administrative roles and more men in senior management positions, and also a geographic correlation in that the administrative capabilities of firms could be outsourced to the regions and the highest paid management roles are based in London, which could also skew the figures.

The seemingly likeliest reason for the 19.1%, gap, however, is the fact that women spend more time out of the country's workforce and make up the majority of part-time workers. If, upon seeking to re-engage in working life, they are asked for their previous salary details then it could be the case that they will be offered a salary closer to that amount than that which someone who has worked continuously would command. In the US, some cities have banned employers from seeking salary histories.

So, what are the benefits to going down this route when we don't have to? Firms can gain a better understanding of their business and the people in it, it demonstrates leadership and a commitment to employees' career paths, and it can help set clear targets upon which to measure progress. By committing to look closely at this data, women may feel more integrated and valued on returning to work after long periods out.

While there is no obligation on SMEs to publish this data (although the government doesn't mind if you want to), it is something that could help foster a more transparent internal culture, and taking diversity seriously is something that clients are fast becoming aware of. In a competitive legal market, your level of equality could be the thing that sets you apart.

While there is no obligation on SMEs to publish gender data, it is something that could help foster a more transparent internal culture.

ABOUT

Emma Sell Practice manager BDBF **www.bdbf.co.uk** 



Corporate status: LLP

Revenue: £2m

14 fee earners, 18 total staff

Offices: London



#### SPONSORED EDITORIAL

### DATA LIKE GOLD DUST graham moore, the data guru

ost law firms are sitting on a goldmine of information that could radically improve their profitability through more appropriate pricing of their services.

At the two LPM conferences in London and Birmingham in 2017, Katchr ran workshops on selling legal services profitably. It was interesting to hear the variety of views on what clients want in terms of pricing from delegates. Some attendees said clients simply want lower prices, but others suggested more predictable pricing was more important to them.

A good pricing strategy, of course, can be developed based on the answers to two crucial questions: How much will a service cost to deliver, and what value does the client put on that piece of work? While much could be said about how firms can improve both the real and perceived value of their services, I want to focus on the cost-of-delivery component of pricing.

Knowing what it costs the firm to deliver a piece of work is often the area of pricing that firms find most challenging. As humans we're notoriously bad at estimating cost, so instead of guessing firms should turn to data.

Much legal work (though not all) will be similar in objective and scope to previous cases handled by the same people or teams. If this statement is accepted as true, data will – or should – exist somewhere in the firm on time taken and costs incurred for previous cases.

What we would like to know, ideally, when setting a price for a service is:

How many times have we done this before?
 What did we charge on previous

occasions?

**FF** To sell legal services profitably

firms must get pricing

right, which requires

better use of data.

3. What profit or loss was made in each previous case?

Mith that information we can start to assess the average values, variability and risk associated with any given pricing level. This is information so many firms have but don't use. Any firm that has been recording work types and time for their matters potentially has a database of information to mine for guidance on appropriate pricing.

So, why don't firms make better use of this information? I believe in part it's lack of confidence in the data. According to Natwest's 2017 legal benchmark report, median chargeable hours in SME law firms is 866 hours – less than four hours a day. The assumption in most firms is that not all time spent on cases is recorded, and therefore any cost calculations are invalid. But any firm that knows their utilisation rate for a given work type can easily apply that to actual time recorded to achieve a reasonable estimate for actual time taken.

The other reason firms don't make good use of historic data is the technical difficulty in extracting it and the time taken to produce the right calculations. This is where a well-designed and regularly updated management information system comes into play – delivering historical cost and profitability information with the relevant numbers to anyone.

So, to sell legal services profitably, firms need to get pricing right, which requires better use of data, present and past.

ABOUT

Katchr Profit from your data Contact on: 0845 680 6843 www.katchr.com @KatchrData



SHOWCASE OCTOBER 2017





## DON'T GET TIED UP

Can firms become better at managing their compliance burdens?

## STEADY AS SHEGROWS

Michael Burne, chief executive at new model firm Carbon Law Partners, on how Riliance's outsourced compliance services and software enabled his firm to scale with quality

or many SME firms, growth is the goal – but many don't have the tools they need to scale and maintain their client service. Michael Burne,

chief executive at new model firm Carbon Law Partners, says his firm's agile working model is designed for easy growth but until recently it held back for fear of losing quality of service.

"Carbon's agile working platform enables easy and cost-effective scalability. Partners work flexibly and are supported by an administrative hub and agile tech solutions. Like any business, however, ensuring consistent quality of service becomes more difficult as the business grows, and we didn't want to expand until we were sure we had the right tools in place to avoid sacrificing quality." He adds that far from losing quality, Carbon's key objective is to lead the industry in it – and perhaps the most important quality control function in

any firm's arsenal is its ability to maintain effective compliance.

"I used to sit on the board of a regulated financial services business and was responsible for compliance. Compliance isn't just a box-ticking, keep-the-regulator-happy exercise – it's about business quality and putting the client at the heart of everything."

But how does a business support and manage consistent quality in an agile and growing workforce? Burne says that the answer for Carbon was implementing the right technology and applying a sensible risk-based monitoring policy with the help of compliance outsourcing and tech solutions firm Riliance.

"In our firm, we don't call Riliance by its name - we call it the business quality team. It's a key part of Carbon - managing our compliance function and providing agile and user friendly software as part of a complete as-a-service solution. We're now bringing on fee earners all the time and that wouldn't have been possible without knowing our compliance needs were covered."

#### COMPLY TO SCALE

While compliance and business quality are essential components of any successful law firm, having a high-quality compliance function in-house can be expensive, and becomes costlier as the business grows. But by outsourcing compliance to the right provider, Burne says, the firm can benefit from the expertise of a highly knowledgeable team that can scale with a very efficient cost base.

"We wanted best-of-breed business quality that could adapt as the business grows. By building our partnership with Riliance we can concentrate our efforts in the right areas, knowing that operational standards and quality are in safe hands. Doing that in-house would have been prohibitively expensive as it's impossible to really predict how much of your quality function you'll need and when."

He adds that Carbon's compliance and business quality process is exceptionally comprehensive. Riliance audits files on each of Carbon's lawyers every month and recommends a risk-based score, which is assessed by the firm's quality group. The software firm then audits files based on the risk profile and presents them to the firm's managers.

Burne says: "This system has numerous benefits. Riliance is independent of the firm and as such can produce a completely unbiased report – which isn't necessarily the

#### ABOUT THE SPONSOR

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case when reviews are conducted by other partners. I have no influence over the files they choose, I only find out if there's a problem.

"This system also makes it less likely for lawyers to get away with poor business quality, which enables us to scale easily without sacrificing client service. Because Riliance selects files to audit, every document in the business is at risk of analysis – there's no unspoken agreement that a particular set of documents won't be looked at. That knowledge forces fee earners to raise their standards." He adds that the system creates a benchmark, so highquality lawyers don't have to worry about colleagues and clients don't have to worry about their lawyers.

"We approach compliance from the perspective of what we think clients should want, which is assurance that the job is done well."

But perhaps more importantly, Burne says, outsourcing compliance gives the firm access to a wider market view of what constitutes risk. "Firms' idea of what 'good' looks like when auditing We approach compliance from the perspective of what we think clients should want, which is assurance that the job is done well.

files is limited by experience. On the other hand, Riliance has the experience of auditing multiple firms and organisations from different sectors, and thus brings greater perspective to our business."

He adds that having compliance-as-a-service benefits fee earners enormously, because it gives them the tools to give the best client service they possibly can.

"Delivering great legal work isn't just about getting



it technically right but delivering an exceptional client service, which includes the way a service is delivered, how it's priced and how the fee earner adds value to it. And, of course, making sure work is as risk-free as possible is a key part of that highquality service."

Burne says that all of these benefits introduced by Riliance's compliance service give the firm the confidence to scale rapidly and know that quality of service won't suffer.

"It's relatively easy to grow a big clunky business, but it's hard to grow into a high-quality firm. There's always that strain between quality and growth but Riliance is helping us do both."

#### COMPLIANCE PARTNER

But it isn't just fee-earner assessments that are important for a growing business. Burne says firms also need a guiding hand if they want to navigate a market that's becoming increasingly regulated – particularly as it moves to obtain a larger share of that market.

"The Fourth Anti-Money Laundering Directive showed us the difficulties firms face in coming to terms with new regulation with increasingly harsh penalties." He adds that under the EU's General Data Protection Regulation, which will be enforced in May 2018, firms could face fines of up to 4% of annual **G** It's relatively easy to grow a big clunky business, but it's hard to grow into a high-quality firm. There's always that strain between quality and growth but Riliance is helping us do both.

turnover for a data breach.

But having an outsourced compliance function has kept his firm ahead of the storm.

"Having Riliance on hand to help us through the various regulatory hurdles we have – and will face – has been fantastic – they're like gold dust. We've been able to change our processes in line with the Fourth AMLD, for example, with the help of Riliance's expertise – ensuring we keep certain files for longer and paying particular attention to politically exposed persons." He adds that by the time the directive came into full effect on 26 June 2017, Carbon's employees were fully trained by Riliance in line with the new rules.

Riliance has become a fully integrated part of Carbon's business and Burne says it has become more like a fully fledged partner than a service provider. "We can approach Riliance with ideas about how to improve their service or what we would like to see from them in the future, and they will listen. We had a couple of their people with us a short time ago to talk about our project plan and what needs to be done, which bits will be done by them and which we'll do."

He says that Carbon was keen to develop this sort of relationship when choosing a compliance provider, but while other suppliers made promises of maintaining a dynamic dialogue, Riliance delivered.

"Loads of suppliers say they're going to work in partnership and then when push comes to shove it doesn't feel like that. It's not like that with Riliance – everything is done in the spirit of partnership and they actively work to add value to our business." He adds that when choosing a supplier, it's important to find one that shares your values – and Riliance is as committed to innovation and quality as Carbon.

"They are very open to change, to trying new things and driving quality of service in their own organisation. Riliance is well-managed and I never have to worry about their commitment to their service or to us."

And Carbon is considering taking the relationship to a new level. Burne says there's still enormous opportunity for both sides to reap benefits from the relationship, and Riliance is always keen to listen to ideas and engage in the discussion.

"Riliance has already shown that it's open to innovation from the outside world. Our fee-earner assessment process was actually our idea and before we suggested it Riliance didn't do outsourced compliance like that – but they do now, and brilliantly.

#### QUALITY SOFTWARE

But Carbon's partnership with Riliance goes beyond as-a-service compliance. Burne says that the business quality service it receives is excellent but it wouldn't be possible without Riliance's user-friendly and stateof-the-art compliance software.

"Our relationship with Riliance started with its software – we needed an agile system that could be used by multiple fee earners in different locations, which would help generate an audit trail and create corrective actions when they arose." He adds that the firm still uses the platform, but much of the content is generated by Riliance as part of its outsourced service. "Of course, I can still see everything that's going on in **G** We all know that if something is difficult to use, people tend to be resistant to using it – and that makes the business sluggish.

the system in real time just by logging in."

Another benefit of the software, according to Burne, is that it's cloud-based and accessible from virtually anywhere. He adds that having such a tool makes it easier to scale quickly.

"One of the key problems businesses have when they want to grow is IT. What we need to be able to do in the modern world is dial up and dial down software as the business needs. Let's say we raced forward and hired 50 new partners but then a few left - with Riliance we could upscale quickly to meet our new requirements and then downscale a little so we don't have to continue paying for the provision needed for those few lawyers who left."

And the benefits don't stop there, says Burne. Riliance also consistently maintains and improves its software and periodically adds suggested functionality.

"Riliance discusses any improvement it wants to make and takes our opinions into account. It's interested in what we would like it to develop and even though it obviously has to invest in that, the price doesn't go up greatly."

But, according to Burne, Riliance is always careful to develop with its users in mind so that they can work with the software easily and adapt quickly to any changes made.

"Riliance does remote training for us – which is great when we get new partners in who have never used its software. But the need for training is generally very low because the product is very intuitive." He adds that usability is extremely important when it comes to legal tech because the faster new fee earners can learn to use it, the faster the business can benefit from scaling.

"We all know that if something is difficult to use, people tend to be resistant to using it – and that makes the business sluggish. If it's not intuitive, people have to really start thinking about how and what to record and that isn't good for business quality."

Quality can be one of the hardest elements to maintain as a business expands. But Burne says client service can grow with the firm if it invests in a highquality compliance service. When firms have compliance as-a-service, they have access to superior knowledge, technology and process implementation that enables them to scale without the risk of sacrificing quality.

### IN BETTER HANDS



Bethan Sayle, risk consultant at Riliance, sets out the benefits of shifting the compliance burden to an outsourced provider

Il businesses need to manage their compliance obligations – and they're becoming difficult to manage for many. Most law firms have seen regulatory requirements increase alongside external pressure from investors and clients. Furthermore, the increasing financial and reputational damage of noncompliance is often too much for businesses to overcome. Many smaller firms typically don't have the in-house resources and experience to meet all the requirements, while larger firms suffer from extraordinary compliance costs to ensure all necessary tasks are completed.

Compliance obligations have been heavily discussed in recent times. Common concerns from law firms are that compliance takes too much time away from fee earning and the expense of an expert compliance team is too high.

While outsourced compliance was initially established in reaction to such criticisms, firms that have taken it up have seen greater benefits than cost saving, visibility and sleeping more soundly at night. Outsourced compliance offers firms time, resource and knowledge, not only to tackle compliance but to benefit from it.

#### IN THE KNOW

An effective outsourced compliance service should be seen as an extension of a firm, not a separate entity. This is because the complexity of compliance can be overwhelming, and having a knowledgable adviser from your provider can help you navigate the regulatory storm. That adviser is someone who is removed from day-to-day operations and can, as such, accurately assess how well a firm is complying and provide an action plan to help it achieve its regulatory objectives. This additional level of expertise can be a relief for compliance teams looking to provide evidence to a regulator of a firm's intentions and ability to comply.

#### UNDER PRESSURE

But it's not just the amount of regulation that's challenging for firms, there's also the way they're expected to comply. The key requirement is no longer simply to tick a box

but to be proactive and continuous in compliance. There are benefits, of course, to managing compliance in this manner - but firms that go the journey alone often fail to reap the full benefits of it. Compliance now covers all aspects of the

business, requiring firms to review themselves, action any remedial measures required from the review, and provide continuing evidence of this process - which gives it quality assurance. Quality assurance is defined as the maintenance of a desired level of quality in a service or product, especially by means of attention to every stage of the process of delivery or production. From this definition, it's easy to see how the process of compliance can assist a firm in maintaining a quality service. Not only does quality assurance benefit the firm itself in terms of growth and focus, it also benefits the firm's clients, investors and regulators. The time, cost and burden of compliance means that many firms managing their own compliance fail to use

the burden as a driver to improve their businesses

#### AHEAD OF THE STORM

**FF** An effective outsourced

compliance service should be

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Firms need to be proactive in their approach to compliance in order to see what changes are coming down the road. But this proactive approach can be difficult when the compliance team or firm's partners can't see the wood for the trees. This is another area where an outsourced compliance provider can help. Implementing regulatory horizon scanning allows the firm to work on what it's

> going to face before it's too late. Being ahead of the curve also provides the firm with a business benefit when contrasted to its competitors and provides assurance to its clients and regulators. The burden of

non-compliance is

becoming increasingly dangerous for firms, and outsourced compliance is no longer viewed as a luxury. Rather, it is seen as an indispensable resource for firms of all sizes. Compliance as-a-service helps firms reduce the rising costs of compliance by providing them with resources and knowledge. Outsourced compliance offers a safety net and reassurance that the business is compliant, that quality is being monitored, and that there's always someone at the end of the phone who understands the firm and what it needs to do.

As a compliance services provider, with a team of experts underpinned by systems and technology, Riliance is in an ideal position to assist businesses with all their outsourcing compliance needs.

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### THE CLAIM DRAIN JANINE PARKER, THE BROKER

s we approach September and the final four weeks of the PII renewal season, it's worth considering what current trends we're seeing in the market and the potential implications, both short and long term, for law firms.

Two major insurers have recently announced their intention to withdraw from the professional indemnity market in general, while an additional insurer has specifically withdrawn from the solicitors market. What's concerning about these events is that we've experienced a relatively benign claims environment over the past seven years. There have been no real systemic claims issues and it's a strange time in the economic cycle to see three insurers reduce their exposure or pull out completely.

Why are these insurers deciding to leave the market? The logical conclusion is that they've not made enough profit to be able to continue to underwrite this class of business. This would suggest that the pricing levels of recent years have not been sustainable and are therefore too low. The other scenario is that they're looking to the future and are trying to predict a potential economic downturn and avoid the fallout from that.

What's also alarming is the timeframe in which certain insurers enter and leave the market. It usually takes around four to five years for a long tail professional indemnity book to mature and show its true claims position. The fact that some insurers are withdrawing after only writing solicitors professional indemnity for three years suggests both a pricing issue and concerns about the future.

We would normally expect to see a pricing adjustment or an increase of non-renewals from a portfolio before an insurer decides to completely exit the market. This way they could return their portfolios to profitability and potentially navigate their way through a more challenging period in the economic cycle.

What's certain is that instability and uncertainty are not good for law firms – and given the cost of insurance, any volatility in pricing is problematic. This was seen after the last credit crunch, where losses materialised for insurers and pricing increased before new capacity saw the market drop again.

At the time of writing, responsible insurers appear to want to maintain rates or try and push a marginal rate increase. This is perhaps due to the current performance of their portfolios or that they have one eye on the future.

Either way, the pressure on pricing that we saw over the past four years is slowing down. This may be a good thing in the long term since if more insurers were to withdraw, the reaction of the market could be much more severe. This could leave firms without cover or having to move insurers at a greatly increased premium.

Firms should always look for the most valuable arrangement they can, but it must be stressed that this may not be the cheapest option. Continuity will be important should the market change, and those firms that have moved around year on year may struggle to find a supportive insurer compared to those firms that have enjoyed a long-standing relationship with an insurer. Loyalty is clearly a two-way process and insurers must be competitive, but with the spread of pricing available in the market it's more important for firms to have transparency of the placement of their insurance and a detailed understanding of who their insurer actually is and whether their broker enjoys a direct relationship with them.



### ABOUT

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*Grace-Ann Pickles, head of finance and operations, Needle Partners* 



### Grace-Ann Pickles on learning the value of preparation and persistence by climbing Africa's largest mountain

first decided that I wanted to climb Kilimanjaro - also known as the roof of Africa - in 2014. The Tanzanian mountain, which is also a dormant volcano, rises to 4,900m from its base and is the largest mountain in Africa - so I knew the climb was going to be no small feat. I have a close friend who suffers from quadriplegic cerebral palsy, a severe spinal condition which affects muscle control and movement, and I wanted to do something big to help raise funds and awareness for the condition. My friend and her family received a lot of support from Martin House - a charity and children's hospice which is very dear to my heart. I wanted the money I raised to go to them, since they receive no statutory government funding.

With the support of my husband John, I trained and fundraised relentlessly to prepare for the ascent. I started running every day and worked my way to various fitness milestones – completing a 5k and 10k run before entering the Great North Run, a half marathon between Newcastleupon-Tyne and South Shields. Part of the training involved hiking through the Yorkshire countryside (pictured), so when I finally reached Kilimanjaro in 2016 I felt ready. But how wrong I was.

I began the expedition on the Lemosho route with 22 other people and the help of local guides. The entire journey up and down Kilimanjaro took a week - five days to climb up and just two to come down. We climbed for nine hours a day in a constantly changing climate – some days the heat would be unbearable and others it dropped to -6C.

Over the week, people began to drop out due to fatigue and altitude sickness. Our group of climbers numbered only 17 when we finished the ascent. The air becomes much thinner the higher you climb – a lot of people can't cope and get airlifted back to base.

The hardest day for me was the final stretch to the mountain's summit. To get to the top at a reasonable time we had to set off at midnight and only got two hours of sleep beforehand.

But it wasn't all bad. I recall the lack of light and noise pollution on one evening, when it was so dark that even a torch was of no use. Those evenings were so peaceful and the night sky was like nothing I had ever seen before.

We raised £3,500 from the climb, which will have gone a long way to help the hospice – I'm immensely proud of that achievement. The climb gave me an enormous sense of confidence in both my private and professional life – giving me the drive to study for an MBA – and taught me the value of patience and persistence. Needle has recently begun a joint venture with McKenzie Spencer, and I am certain that this ethos will translate into that future.

LPM FIRM FACTS

#### Needle Partners

Revenue: Would not disclose Corporate status: Limited company 14 fee earners, 17 total staff Offices: Leeds, London, Kuala Lumpur Specialisms: Corporate, commercial, family, property, employment



## Forward push

Change is a necessary part of life and business, but it often faces resistance. How do legal business leaders manage a reluctant workforce through the transitions? Patrick Wingrove reports

he only constant is change, they say - if they're prone to a quick cliché as a management maxim. There's certainly no denying that SME law firms are embracing it in all its forms - evidenced by the flow of press releases announcing transformations such as new business models, mergers or internal reorganisations to drive competitiveness. And that's probably a good thing. Chengwei Liu, associate professor of strategy and behavioural science at Warwick Business School, says transformation is important for competitiveness and survival - though perhaps not all the time.

"If the environment or technology evolves then an organisation will have a better chance of survival if its adapts. Equally, if a firm doesn't change but its competitors do, then they become more competitive and are more likely to survive. Although there is a school of thought that suggests a good strategy can be to do nothing at all – the rationale being that technology and consumer tastes change too rapidly and organisations may waste time and resources if they constantly try to keep up."

Whether you believe change is good or bad, one thing's for sure – it's difficult to implement. That's largely because, falling back on another old maxim, no one likes change. In a professional services firm, reform must be driven by people, and if they're not on board or appropriately motivated – which they're often not – it goes dead in the water.

This reaction isn't just a matter of stubbornness. Liu says people are resistant to transformation because they're predisposed to fear it.

"There's a very simple mechanism or behavioural tendency among people to overestimate the threat of change against themselves and to underestimate the benefits. The consequence of this tendency, of course, is that people feel staying in the status quo is better for them and their organisation." But it's not just stalling plans managers should worry about – staff left disillusioned by change may leave and create a talent deficit. The good news there is that they can be replaced with people enthusiastic about the change, but for obvious reasons a mass exodus should be prevented.

So, how do legal management leaders get people on board and lead them through radical reform? To start, managers need to convince their people that the change is worth pursuing. Liu says it's easiest to convince people that radical reform is needed when they're thrown into a state of crisis. "It's a three-stage process – unfreeze, change and freeze again. Unfreeze is where you create a scenario of a sinking boat – everyone's on the same platform and if they don't do something to stop it filling with water, they're all going down.

"Such a scenario brings people together emotionally and out of their comfort zone so they become open to shedding their status quo bias and opening up to new cultures or ways of doing things." He adds that without this process the status quo bias will dominate and anything a manager introduces will be rejected and won't take hold in the end.

But more than that, management needs the right people to drive the change across all levels of the business, keep momentum by communicating with employees so it doesn't fizzle out and support employees throughout the process. That do-nothing-at-all strategy is looking more and more attractive, I'd bet.

#### SUPPORT CHANGE

Getting people on board with proposed changes might be the most crucial element of any change management strategy – it simply can't happen without it. Sean Stuttaford, COO at Essex firm Thompson Smith and Puxon – which recently went through a cultural shift to develop more collaborative working practices, encourage cross selling and institutionalise clients – agrees with Liu that a sense of urgency is required to get people of board.

"An effective way to create a crisis scenario, and make people more malleable, is to discuss scenarios around specific threats to the business and how these could play out in the future." But,



he adds, it's also important to emphasise the benefits of change based on the individual and their role in the business.

"An often-overlooked area to help strengthen arguments with lawyers, for example, can come from clients. Even if staff are sceptical they will likely listen to key clients. Don't be afraid to communicate changes to clients to see if you can get their feedback and support."

But managers may not need buy-in of the entire business at first – just the influencers in the firm who will sway opinion one way or the other. Stuttaford says management leaders need to determine the enablers and barriers to change if they are to make it last – which they can accomplish with tools such as a 'forcefield analysis' list or 'stakeholder map'.

"A forcefield analysis list – which frames problems in terms of influencing factors and those pressures that support change in the desired direction – can produce a useful snapshot of resisting and enabling factors. But if managers really want to get under the skin of the business then a stakeholder map will give you a better idea of how to influence change.

"We created our map by sitting down with each of the firm's leaders and looking at their

power of influence and at their status as determined by our conversations. And then I plotted them out on an impact map, which let me see who I needed to get strong buy-in from, who I actively needed to consult with, who I need to maintain interest with, and who I just needed to keep informed."

Another critical tactic for getting staff to sign off on a proposed plan is to give it legitimacy. Christian Wilson, head of corporate law at southwest firm Stephens Scown - which adopted a John Lewis-style shared ownership model in 2015 - says it's common in professional services firms for leaders to simply announce a big change without a plan to follow it up, so it needs to be planned to within an inch of its life if it's to appear authentic.

"Radical reform such as ours needed to be developed over a long time – the message had to be repeated, it needed to be shown that it would be driven from the top and that a process was created for careful delivery. Without all of that the proposal would have lacked authenticity and the equity partners wouldn't have bought into it."

But perhaps the most simple but vital move to get staff on board is making change as transparent as possible. Brian Cullen, CEO at

LPM FIRM FACTS

Liverpool-based Jackson Lees – which acquired Lees Solicitors in 2016 – says there's little point in hiding reform as it will only foster mistrust.

"When we were Jackson Canter we were always open about our strategy to acquire another firm at some point. Leaving staff in the dark and letting rumours develop, or informing them about it after the deal was done, would have been bad for morale and may have caused people to leave."

#### COMMUNICATE AND MOTIVATE

Once change is announced, management leaders must keep the momentum going. Substantial transformation can take years to complete, and if staff aren't kept up to date and continually pushed to implement changes the project may gradually dissipate. Wilson at Stephens Scown says their move to become employee owned took several years and creating an effective communications plan was vital for success.

"Once the project has been announced and is underway you've got to keep communications going – keep telling staff why it matters, what successes there have been so far and the difference it makes."

David Beech, CEO of national firm Knights - which shed its traditional partnership model in 2012 and adopted an ABS corporate structure - agrees with Wilson, and adds that managers must continually emphasise the benefits of the project to embed it into the core vision and values of the firm.

"The leadership must have a very clear vision. They need to talk about that vision constantly and what's in it for staff, whether that be investment in their career, new career paths, opportunities to make a difference, to create a sustainable path to transformation." The challenge there, he adds, is ensuring that the right people consistently put across the right message.

Stuttaford at Thompson Smith and Puxon says that a good way to communicate the change programme effectively across every level of the business is by bringing together a cross-department liaison team to deliver the message.

"It's important for the firm to establish quick wins to overcome inertia during changes and the liaison team can communicate the benefits of these wins to their individual departments – because each department has different priorities."

He adds that the leadership can support this team by developing a communications plan tailored to different departments.

"We actually broke down the firm into several categories and created a communications plan for each of them. For example, equity partners' and finance managers' interests are going to be profitability and growth, whereas a senior Jackson Lees Revenue: £12m Corporate status: Limited company 126 fee earners, 265 total staff Offices: Liverpool, Manchester, Birkenhead, Heswall, West Kirby LPM FIRM FACTS Thompson Smith and Puxon Revenue: £5m Corporate status: Limited company 40 fee earners, 86 total staff

Offices: Colchester, Clacton

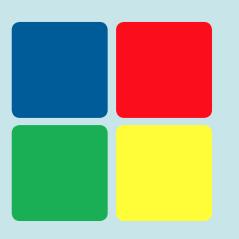
LPM FIRM FACTS Brethertons Revenue: £12.5m Corporate status: LLP 100 fee earners, 200 total staff Offices: Banbury, Bicester, London, Rugby

### **COLOUR COMMS**

The Insights Discovery System, a colour profiling tool, is useful for effective communication between people with diferent personalities. Red represents assertive and competitive people, blue, analytical and precise, green, calming and caring, and yellow, dynamic and creative.

Brian Cullen, CEO of Jackson Lees, says it's important to remember that everyone has all of these qualities but they tend to lead with one.

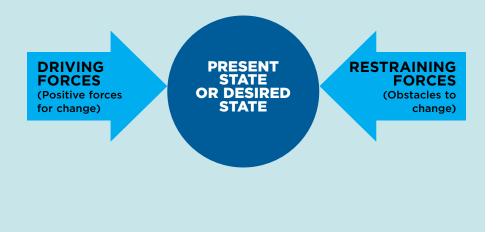
"We've found it to be massively successful in relation to the makeup of teams for specific projects, for the make-up of our board – especially in relation to understanding where we're all coming from.



For more information visit: www. fullcircletd.co.uk/insight-discovery/ insights-discovery-colour-energies/

### FORCEFIELD ANALYSIS KURT LEWIN

The forcefield analysis, developed by American pyschologist Kurt Lewin, provides a useful framework of factors that influence a situation – those driving and blocking movement towards a goal. To carry out the analysis, describe the change that needs to be made and list the influential forces on either side. This should give managers a clearer perspective of the challenges they face when trying to drive change – it could be used, for example, to list the people or departments that are want reform and those that don't.



associate solicitor may be more interested in billing processes and the personal rewards for cross-selling." He adds that firms must also maintain the sense of urgency to establish an 'unfreeze' state and should communicate the firm's challenges and pitfalls to accomplish that.

But it's not just a matter of what you communicate, Stuttaford adds, it's how you do it.

"Part of our communications plan involved determining how to communicate with different employees. Some may only want or need to be updated via email or newsletter – others will need to be addressed via face-to-face consultation or high-level planning meetings."

Cullen at Jackson Lees says it's also important to communicate using the right language for the individual – which his firm did using a colour-profiling tool.

"As part of our engagement strategy during the acquisition we tried to understand who our employees are as individuals and how they interact with each other. We used Insights colour profiling as a simple tool to understand people's preferred way of communicating.

"Red, for example, relates to the leadership - single-minded, to-the-point people - whereas yellow relates to our creative roles. Using this tool, I can communicate with different employees in their language - which is very useful when implementing change."

### DIFFERENT CHALLENGES

Depending on the project and institution, firms will invariably need to mould their strategy to specific presented challenges. Shaun Jardine, CEO at Banbury-based Brethertons – which reshaped its workforce structure by writing profiles for required roles and making 120 employees reapply for 'new' positions – says his firm's project was particularly challenging because people were afraid of losing their jobs.

"Brethertons is 210 years old and many of its practices felt like they were that old - we had people across three offices, many with similar titles but different roles and duties. There was no uniformity regarding roles and processes. So, we completely restructured the business - but of course staff became fearful that they might lose their job.

"Naturally, we had to develop a solid support function into our communications plan. We put HR staff on standby after the initial announcements so people could sit down and have a chat about the change – we ran workshops, created employee representation groups and took steps to ensure more vulnerable employees were looked after." He adds that had the business not led a sympathetic approach, there could have been a significant impact on staff's wellbeing and the business would have suffered.

Strategies for managing people through change may be more challenging when offices are spread out – particularly when the office in question had been a different firm. Beech at Knights oversaw the acquisition of Oxfordshire firm Darbys Solicitors in 2015 – and says communicating with your new audience is essential for change, but challenging.

"M&A is particularly challenging for people management because you need to get two lots of people on side. Darbys employees had a strong identity and we had put in a bit more effort on that side of communications – to reassure those worried about losing their jobs and driving the message that the union was ultimately a good thing."

In an increasingly competitive world, change may be essential for firms that want to survive. But if managers want change to work and not lose too many employees in the process, they need to build a solid communication plan to get everyone on board and ensure they drive the reforms leaders want to make. In many ways the approach is similar to that of the Borg collective in Star Trek – assimilate and communicate to make resistance very much futile.

LPM FIRM FACTS

### Knights

Revenue: £36m

### Corporate status: Limited company

360 fee earners, 450 total staff

Offices: Cheltenham, Chester, Derby, Newcastle-under-Lyme, Oxford, Wilmslow

LPM FIRM FACTS Stephens Scown Revenue: £19.5m Corporate status: LLP 172 fee earners, 308 total staff Offices: Exeter, St Austell, Truro SPONSORED EDITORIAL

INDUSTRY VIEWS INDEX

# CHANGE OF PACE



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## MODERN FAMILY



Paula Jacobs Amos, practice manager at family boutique firm GJ Law, on how moving to the cloud with Accesspoint made fee earners more productive on the go

ondon-based Gary Jacobs & Co (GJ Law) is a specialist family law firm. Practice manager Paula Jacobs Amos says: "The majority of our

L\_\_\_\_\_ instruction comes from guardians appointed on behalf of children, who ask us to assist in their public law care proceedings.

"Our work is mostly legal aid. We don't have aspirations to scale like other SME firms, but simply to offer the highest quality service we can and be the best at what we do."

She adds that with the recent cuts to legal aid, however, it's becoming increasingly difficult to make services cost bearing, and legal aid firms are being forced to find ways to become more productive.

"Our solicitors have always needed to be mobile since they are constantly working in court. They pop in and out of the office regularly – stopping only a moment to pick up files, ready to go out to the next hearing. Before we adopted Accesspoint to enable flexible working they couldn't work easily in transit or while sitting in court," says Amos. She adds that the firm realised it was time for it to move on and become more engrained with the IT practice of the modern world – and GJ Law is able to do that using Accesspoint.

### CLOUD AND COURT

Amos wanted all of her firm's solicitor advocates to have full access to the information they needed on the go – which prior to introducing new technology could only be accomplished by solicitors carrying around large bundles of files.

"I found out that Accesspoint not only supports firms with their IT but also with their case management software."

GJ Law fee earners can access PDF documents that are stored in the case management system under the relevant file via Accesspoint's cloud servers. And it also gives them the opportunity to help manage their file – ensuring that emails get pushed into the right case.

She says: "There are lots of reasons we decided to go with Accesspoint – one of them was that our server was



LPM FIRM FACTS

Gary Jacobs & Co Revenue: £1.2m Corporate status: Limited company Six fee earners, 11 total staff Offices: London

### ABOUT THE SPONSOR

Accesspoint is an independent legal IT specialist that consuls on a variety of information technology-related issues, offering the best in IT solutions to help firms work more effectively.

#### www.theaccesspoint.co.uk



coming to its natural life end. But a big driver for us was that we needed to be able to work more efficiently out of the office, and being in the cloud was the obvious solution."

Before using Accesspoint, Amos noticed many of their solicitors were trying to make use of their personal tablets in court by downloading files and then dropping them off at their desktops after the proceedings.

"Luckily, the courts are becoming techsavvy now. They're providing WiFi because they realise that so many barristers and solicitor advocates are actually trying to access their documents. It's not at an ideal level but they're becoming more digital friendly. And GJ Law needed to be with the times as well – finding Accesspoint and joining the cloud nicely joins up everything the firm wanted to improve," says Amos.

She adds that many of her solicitors are really excited that they can manage their own files now – allowing the firm to be more productive under the pressures that come with changes in legal aid regulation.

### THE CASE CONUNDRUM

GJ Law has become more dependent on the case management system and email functions due to the change in pace of care proceedings – with only 26 weeks to complete the proceedings now, it's vital for the firm to have an organised and easy to use system to manage their work flows whenever and wherever needed.

Using the Legal Aid Agency's Client and Cost Management System (CCMS) creates a lot of work for Amos and her colleague, so management needs to be top notch in order to keep things running smoothly for the fee earners – which is where Accesspoint helps.

"The 26-week ruling means that the pace in which we work in care proceedings matter is full on. And, when you're getting 50 to 100 emails on a single case in one day, with all the parties being copied in and trying to resolve issues, deal with matters, expert instructions and instruction agreement – that's a lot of email."

But it's not just the quantity of the emails that's the problem: Amos needs to be able to organise and complete draft orders and file appropriately. "Since everything is done by email, we found that it had become our enemy."

The firm was also just printing off too much paper, she says, with long corresponding emails full of email signatures and linked emails from multiple contacts. It had become difficult to manage.

#### ONWARDS AND UPWARDS

"The team at Accesspoint are incredibly friendly and more than happy to help. And they know the system well – many of them help design or build it – and that's what I needed. I'm not particularly tech savvy myself," says Amos.

GJ Law doesn't have an internal technology department - everything falls to Amos to sort out, she laughs.

"I needed someone that's going to take the lead, and that was a big reason to go with Accesspoint," she says. Her support staff are also keen to be trained to become experts in the system so that they are able to help their solicitors themselves.

"We have got some gremlins in the system which we're trying to iron out at the moment - we're still quite new to the programme but I know that Accesspoint want to do it right for us. They've been super-efficient, it's taken us less than a month to get up and running.

"We had a great team during the set up and installation – the day we went live, we had a team around us to help sort out any questions and bugs on the day. And I know I can always call them to help when I run into any issues."

It doesn't take long to become an expert in the system, and less so to become comfortable using it. From an initial 10 minutes training meeting, Amos was able to code in documents and create briefs to counsel that self-populate.

"It's all down to the user and I can see that it's going to make life better for our people as long as they put the correct information in the right place. It may be time consuming at the beginning – since we were playing catch up with all our files – but it's all going in the right direction. A positive direction."

Law firms have been very slow to take up and accept the change in IT and new ways of working. Amos points out that we have to embrace it - there will always be innocuous emails that will come in. She says firms need to learn to spend money on IT - build it into their budgets and spend accordingly.

Amos says: "We're Lexcel accredited – we have to abide by the requirements to ensure that our data online is secure and that we've taken the appropriate risk assessments. And having Accesspoint is like having a weight lifted off my shoulders – they understand law firms and the pressures we face."

## ACCOUNT ON US

Dave Webber, head of software development at Indigo Legal Systems, sets out the importance of data migration and getting the fundamentals right when purchasing a new practice or case management system

ME firms need to make sure their front- and back-end systems are the right fit to keep the business running efficiently and drive profitability.

Indigo Legal Systems has been in the legal market for decades, and its expertise is the best-kept secret of the industry, according to head of software and development Dave Webber.

"We've been developing practice management systems since the 1980s, but have always been prevented from developing a document or case management system due to various business liaisons we had. We wanted to cover all areas of legal business.

"Now, Indigo has PMS and document/case management systems available – we're able to embrace both the front and back office of the law firm and are able to offer a full solution. This is a big step for us but an even bigger opportunity for law firms," he says.

### THE LANGUAGE OF LAW

Law firms may feel overwhelmed with the breadth of systems and functions available. Taking on a new system is daunting, and firms often underestimate the importance of migrating data over.

Getting data migration correct is an important step in the implementation of a new system. Historically, Indigo used to do that for its competitors, but severed those business ties to focus on helping law firms at no cost and with any supplier.

Webber says that when it comes to data migration, the vendor really needs to understand the market – especially as it concerns accounting, financial and time-recording data.

"When migrating financial and time-recording data, you really need to know what you're doing. We've been doing it for such a long time, we know how other systems hold data and we know the language.

"The world of legal accounting is strange – you get strange terms and phrases like 'not yet paid disbursements' where you can reclaim VAT, anticipated disbursements, and such. Not everyone would know what they mean and then how they manifest themselves in the old system."

### BETTER BASIC

Webber says the key challenge for firms taking on a new system is to make sure they get the fundamentals right while ensuring the new system has features, flexibility and functionality to enable the firm to become more efficient, grow and increase profits.

"Don't run before you can walk. You get the PMS and DMS right and then make sure you've got room to expand and enhance your business. We offer a number of add-ons and services for firms that want to look into more adventurous areas of the technology."

And, he adds, with both the Indigo products being in the same slick, easy-to-use interface, there's no duplication of effort. Firms benefit from the efficiency in covering all areas of the business.

Accounting should have easy points of entry, he says, so managers can see more across the firm in terms of financial data.

"Since we now cover front and back office, firms can generate accurate profitability information – we have a host of management reporting tools that can report at different levels – from individual fee earners, departments or the entire firm. Those all feed into one database, enabling managers to really see what's happening in their firm and notice strong and weak areas," says Webber.

Management reporting is a key factor. Firms need to be able to analyse data they receive and managers should be able to tap into a system that's easy to navigate and can give them the information they need - thereby increasing profitability.

Webber says that it makes no difference to Indigo whether a firm wants an on- premise or hosted cloud setup. There are pros and cons with all infrastructure solutions – but at the end of the day it's vital to get the products and support right.

### TIME TO KEEP UP

Webber says: "Our support team is second to none when it comes to getting things going. They're former



### ABOUT THE SPONSOR

### Indigo Legal Systems: practice, document and case

management - top value quality systems and expertise for UK law firms.

### www.IndigoLegal.com



cashiers themselves and have all worked in legal offices before."

He adds that having ex-legal cashiers on the support team means Indigo understands the language that legal accountants and cashiers use and look out for in a PMS.

"The support team are experienced at being cashiers and using the product – with the 'newest' member of the team being with Indigo for 10 years. Indigo's support team are happy to help and can train and assist with confidence.

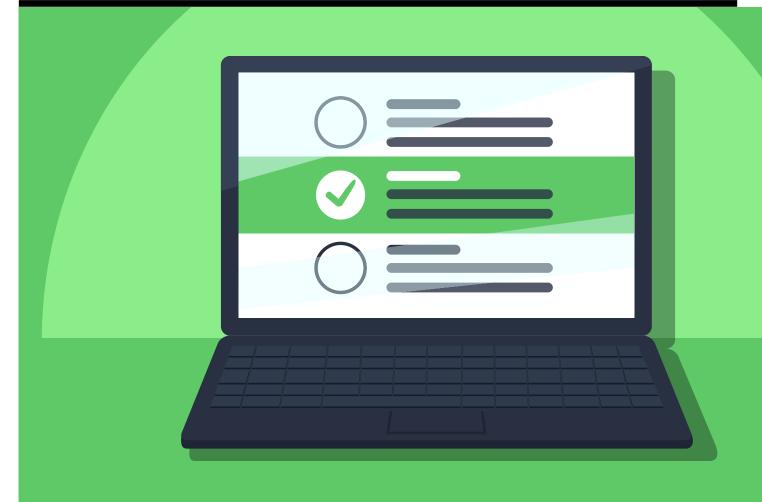
"Once the firm goes live we have a floorwalking session where our trainer walks around and makes sure everyone is working smoothly and can answer queries as they come up."

He adds that after the firm is comfortable using the system, Indigo takes a step back, though is always on hand to allow the firm to explore areas they'd like to expand. This could be using e-chits to allow for digital processing in billing and posting requests to accounts - for firms working toward a paperless office.

As for where Indigo is headed in the future, Webber says, the product team is developing law-firm friendly apps – being able to time record on the go is a big step for legal.

The firm also needs to make sure that their system can embrace any new regulations - GDPR changes are happening now with everyone needing to comply from May 2018, and litigation departments need to be aware of the forthcoming J-code regulations. Indigo is on top of all this and other suppliers also need to be, he says.

Getting the right practice management and case management system with all the right management information, timerecording capability and digital capacity is important for the smooth running of an SME law firm, Webber says. With indigo covering all areas of legal business, it's easier for firms to increase efficiency and profitability.



### MARKETING CONSENT



Jeff Hemming, email marketing and CRM expert at Tikit, on how adopting a good CRM solution will be vital for post-GDPR marketing to clients

mall to medium-sized law firm marketers who try to function without a client relationship management (CRM) solution in place often suffer from 'spreadsheet hell'. It can be difficult to deliver highly targeted email campaigns using a marketing distribution system in Excel - even though this approach is most likely to generate new business.

Likewise, trying to organise an event using contact details stored in multiple spreadsheets runs the risk that the same people will be invited again and again or that others will be overlooked.

If either of these scenarios sounds familiar, you may have concluded that your firm's chaotic marketing infrastructure hinders its ability to generate new business.

Until now, marketers have justified the need for CRM deployment on the basis that it could help resolve many of these operational challenges while improving client relationships and, hopefully, boosting profits. But marketers now have a new argument which any lawyer should be sympathetic to: deploying a CRM solution can make the firm's compliance with the EU's new General Data Protection Regulation far easier and drive recognised best practices. Of course, law firm marketing has long been subject to data protection rules – on pain of financial penalty. But the upcoming GDPR, set to hit the UK in May 2018, raises the financial stakes for non-compliance yet again. The maximum fines that can be issued under the GDPR will be enormous – up to 4% of a firm's worldwide turnover. If you're a £10m practice, this could potentially translate to a £400,000 fine for a breach of the regulation. Suddenly, spending £20,000 or £30,000 on a CRM system looks like a sound financial investment from a compliance or business development perspective.

### CONSENT CONUNDRUM

Explicit consent must be obtained to process data relating to a person under the GDPR. This consent must be given both in relation to the use of the data itself and the purpose for keeping it. Consent cannot be assumed to have been granted, for example, by a recipient's silence or their agreement in relation to an unrelated matter, such as a retainer.

Marketers in law firms cannot distribute marketing literature to the practice's clients simply because

they are clients, and nor can marketing materials be sent to a partner's prospective clients just because the prospect once gave the partner a business card at a conference. The GDPR doesn't prevent law firms from distributing marketing literature to these types of recipient but if a firm hasn't obtained explicit consent from an individual, the practice won't be allowed to promote itself to them.

With the right software in place, obtaining explicit consent from the firm's clients and prospects can be relatively straightforward. Tikit's eMarketing solution allows marketers to easily create personalised, branded, online forms. This form can be distributed via email to the firm's clients and prospects using eMarketing and will ask them whether or not they wish to receive the practice's marketing literature (ie capture consent). The distribution list for this can be based on prospect and client data, all of which is stored within the single Tikit P4W database. Both Tikit Connect and P4W share data seamlessly together, thereby eliminating the duplication and inconsistency of an individual's contact details.

Using Tikit's integrated platforms, all responses to verification mail outs can be automatically fed into the firm's Tikit Connect contact management solution, ensuring all recipients' marketing wishes are respected. This integrated use of technology also records when consent is captured and by whom. This detailed tracking capability is a critical part of the firm's GDPR compliance process and a powerful aid if ever challenged by the regulator.

### ONGOING COMPLIANCE

Using Tikit eMarketing to distribute online forms to a firm's clients and prospects can help practices to comply with the GDPR in relation to initial consent. The same technology can also be used to ensure recipients' contact details and marketing preferences remain accurate and up-to-date - which is another obligation imposed by the GDPR. It is typically far easier to administer and audit this type of ongoing GDPR compliance by using a CRM-based solution, rather than trying to achieve the same objective using Outlook or Excel.

The GDPR also gives individuals the right to be forgotten, so any EU citizens can request that marketing data relating to them is erased. For law firms whose marketing data is stored centrally within a CRM, complying with such a request is straightforward: the requesting person's marketing data can be deleted in a single step. By contrast, where a firm doesn't have a central CRM system in place, it can be far harder to ensure this request is fully implemented. If a person's marketing details are spread across multiple spreadsheets, there is a risk that not all spreadsheets will be updated to reflect the person's request to be forgotten - thereby rendering the firm non-compliant with the GDPR. Worse, because of this compliance failure it's possible the requesting person will continue to receive the firm's marketing literature in direct contravention of their wishes drawing attention to the breach.

Here at Tikit, we believe that the GDPR is a boon to firms because it drives the adoption of practices that are known to help firms better themselves. An integrated contact management, email marketing and practice and case management solution is the answer. Using a contact management solution to support GDPR compliance enables a firm to achieve the holy grail of marketing - to become a trusted partner. From this trust flows the things that benefit us as firms - more effective marketing, enhanced relationships, deeper insights and higher-margin work.

**f** The GDPR is a boon to firms because it drives the adoption of practices that are known to help firms better themselves.

#### ABOUT THE SPONSOR

**Tikit** is a leading provider of technology solutions and services to legal and professional service firms.

www.tikit.com



## FOLLOW THE RIGHT PATH



Lizzie Griffiths, professional services manager at Mitie Document Management, tells LPM how SME firms can be better at managing change

was going to title this article: Are you ready for the GDPR? But I think we've all seen enough of those sensationalist headlines. Instead, I'd prefer to share some thoughts on change. Rarely do we seem surprised when we hear the phrases: business transformation, change management or digital transformation. We've all been doing a lot of that for some years. Change is the new normal, and if you approach it right, you stand to gain more than just the expected outcome.

While we would all like to think that continuous change is embedded into our culture and processes, it rarely sits comfortably with people straight away. We've all been there in our personal lives too. I recall when my bank moved to paper-free banking many years ago – it felt like my safety net of checking off transactions every month had been removed. But I couldn't imagine going back to the old way. Or more recently, signing into my mobile banking with my fingerprint. But strangely that was not as much of a leap of faith as the paperless banking had been some years prior. And that is down to the speed at which innovation in all aspects of our lives has become normal.

As external pressures shape how we operate to maintain sustainable businesses, many of us are exploring ideas that may never have made it to the table five years ago. The what-if or think-theunthinkable scenario played out daily seems to bear more fruit than we might want to admit.

We're taking bigger leaps forward more often to make things work. But that doesn't mean there's a reckless decision-making process behind change, rather we have more trust and faith in new technology and innovation having seen it tried, tested and sometimes fail.

What could go wrong and how can we mitigate the risk? Not wanting to sound pessimistic but you know what they say: a pessimist is never disappointed. You aren't going to make much progress if you wait until everything is 100% ready. Look at being 80% ready and create the 20% as the plan evolves.

Business transformation can be driven down many routes - leadership changes or internal transformation, for example, but it almost always involves people, process and technology. All of that will impact finance, client retention, reputation and even staff retention. So essentially, the whole business. But change or transformation doesn't have to - and in our experience, shouldn't - mean big bang. It just doesn't work. Not everything has to change in the name of progress. Baby ... bathwater.

An honest review of the processes that sit behind the running of your firm will allow you to make steady changes, which will ultimately deliver improved profit and added value back to your clients.

Consider how digitising your business processes can drive efficiencies. These efficiencies can, of course, save you money – but off the back of that you create a workplace that is attractive to new talent. Those new employees will be the future of your business one day.

The 2017 issue of LPM Legal IT landscapes indicated that most SME law firms are already identifying how AI and automation will impact them. In the same report Melissa Butler, practice manager at London firm GRM Law, said that mobility solutions are vital to ensure greater productivity from law firm workers. "Flexible working is the future – because of the nature of technology, people aren't chained to their desks and they can do so much more on the move, including document creation, case file management and time entry. Restricting mobility is enormously counter-productive, because it alienates employees who want a better work-life balance and means the business isn't living up to its potential."

So, the need is there, but how do you ensure that your infrastructure can support the demand for information anywhere at any time? The simple answer is the cloud.

If you can automate mundane paperbased manual tasks that suck up valuable time from skilled team members you can gradually transition to a digital workplace. No matter how established your firm is, or how embedded your manual process or legacy IT systems are, progress is achievable.

Businesses are accumulating more and more data but you need to access and understand it to really benefit from it. By digitising the ingestion of this information you can turn it into something useful that you can get hold of easily and quickly. Identify trends or common threads, lay your hands on the crucial information as and when you need it, without needing to get an entire box sent from your storage company. Or even simplify how your invoices are paid, taking away the manual process in your accounts department.

It is unlikely that change management will ever become a thing of the past - I'm sure a new buzzword will take its place in time, but it's fair to say that the concept is here to stay. If you can smooth the path now by taking away things likely to tie up your valuable resources, you will enable your firm to be nimble enough to respond to demands from clients as their expectations of you change. Lon't let change manage you. You're in charge.

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### HACK TO THE FUTURE

Drew Winlaw, co-founder, chief operating officer and senior legal engineer at new-model firm Wavelength Law, on how his team won the Online Courts Hackathon with its voiceautomated legal help agent CoLin

avelength Law joined forces with the Law Society from noon on 1 July until the same time the following day for the Online Courts Hackathon at the University of Law in London. The team took first place for its invention of CoLin, a digital legal assistant to help the public understand and resolve legal issues for themselves.

The event was run by the Society for Computers and Law, Legal Geek, the Judiciary of England and Wales, and HM Courts and Tribunals Service, and aimed to find solutions to common problems faced by the online courts. There were eight 'real life' challenges – form filling, order drafting, continuous online hearing, argument building, outcome prediction, negotiating and settlement, dispute classification, and bundles.

Drew Winlaw, co-founder, COO and senior legal engineer at Wavelength, says the team had never worked together before that day. Not only were they facing the challenges of the hackathon but they had to get to know one another's strengths and weaknesses and play to the dynamic of an unfamiliar team.

But ultimately, he says, they went in to have some fun and see how far they could take their ideas.

The team was made up of Wavelength employees, a few contractors who had been working with the firm for the past year and a couple of policy makers from the Law Society with little to no technical expertise.

Winlaw says: "We thought it was a really nice match – as a team we could combine our technical skills, legal engineering and policy expertise, and it turned out to be a winning combination."

But, he adds, the team went for the big picture. "I thought it would be best not to try to squeeze all of our energy into just one area. If what we're doing could cover more yet not restrict us, that would have been great.

"We would develop a story and think about the technology that we could put in place to try and help the protagonist in that story.

"Initially, we were talking about how professionals could work better together in a multi-disciplinary way - but this got us thinking about starting our story along the lines of a general practitioner's surgery.

**G** There's value in taking the time to get people in a room to focus on a particular issue. It gives people the push to start something new.

"Then we thought of legal action taken by the public on rented properties due to illness caused by damp, and we turned our attention toward doing something that spoke to the access-to-justice issue."

Originally, Winlaw laughs, the story's protagonist 'Steve' started as a woman. "But we found that there were difficulties getting Amazon's Alexa to understand a female voice.

"And at 1am, after lots of shouting, we had to resolve that issue quickly rather than try to understand why it wasn't going the way we expected.

"We had to acknowledge the technical barrier we faced and take the path of least resistance by renaming the protagonist, rethinking the story, and redoing our drawing," he says.

The team toiled over most of this work in a hot room filled with more than 200 other applicants trying to



solve problems with only 24 hours on the clock.

Winlaw says: "We were able to find a space at the end of the corridor, which was near the catering area, and that was a little bit cooler. We managed to camp there for a better place to think."

Despite it being "for a bit of fun," Winlaw adds that the hackathon did highlight how such events could change an industry.

"It's not just because of the media attention – there's value in taking the time to get people in a room to focus on a particular issue. It gives people the push to step outside their comfort zone and start something new.

"And it's possible that this hackathon might have created a new path for Wavelength, which we'll review in addition to our existing course of development."

Winlaw had previously enjoyed a role as director of operational development at City firm Taylor Vinters, but left to work on combining technologies to create a legal data pipeline.

"A combined approach is the best way to address the problems that legal teams face and improve processes," Winlaw says. He found that opportunity with others who felt the same and set up his firm.

He adds that this sort of thinking is at the heart of events like the hackathon. "Because of technology startups, we're finding people are forced to focus on the problem they're trying to solve."

Removal of paper in courts is a manageable problem, Winlaw says. The rate of change is certainly picking up and for firms, technology experts, and even university students, taking a day to get involved in tackling real life problems will only progress innovation further, creating value and opportunity for everyone - the courts, law firms and the public.