

FEBRUARY 2018

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WELCOME

Happy new year to you and happy birthday to us – LPM is four years old.

Happy new year, LPM readers – the yuletide season must seem like a distant memory to you, but since this is our first issue of the year, I felt compelled to say it. The new year often brings change and I'm confident we'll see plenty of it in the legal industry in 2018 – not least because of the results of our third instalment of Legal IT Landscapes. I won't give you too many spoilers, but it seems that despite the need to plug some big IT gaps in the market, SME firms' progression since 2017 – particularly around the perception and use of artificial intelligence and the cloud – is excellent, which is great news for the industry.

Technology often plays a key role in innovation – which is why we produce this technology report every year – but it's not the only factor. For example, many SME firms are taking steps to become more diverse and inclusive as a means of attaining competitive advantage. How, you ask? Find out more in this month's feature article (p24).

Other firms might consider upping their competitive game by following the way of the designer. Professor Lucy Kimbell at the University of the Arts London talks to us about design thinking and how firms can use it to improve their clients' experience of their services (p9).

This year has also brought a new section into the book. Turn to p28 to read our first Brain Training article on how Roythornes Solicitors underwent its first environmental audit. Remember – as a fictitious Wall Street executive once almost said – 'green' is good.

Until next time, I hope you enjoy our 40th issue of LPM magazine and are looking forward to many more. **LPM**

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



"The new year often brings change and I'm confident we'll see plenty of it in the legal industry in 2018."

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We also run the popular **LPM conferences**, tailored for anyone working in management in SME law firms and ABSs. In 2018 they'll be in a city near you – on 6 February 2018 at America Square, London, 24 April 2018 at IET Austin Court, Birmingham, and 17 May 2018 in Manchester. www.lsn.co.uk/lpm2018

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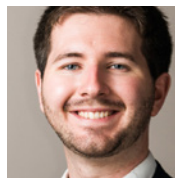
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IN PRACTICE

SNAPSHOT WINTER FALLS

January is over, and thank goodness it is. Not only are many people happy that they've been paid after an expensive yuletide season but law firms are likely also glad that 'crunch month', when cash collection is slow and both rent and partners' tax must be paid, has passed. This period of the year has seen some of the biggest recent collapses in the industry, including KWM, but SME firms have been the ones falling in 2017.

Historic Bristol firm Burroughs Day and north-west practice Johnson Law both went into administration in January – though the former's assets were sold to fellow Bristol firm Metcalfes Solicitors and 79 jobs were saved. But crunch month doesn't always herald firm failure – **statistics from the SRA suggest the first month of the year is not a peak time for closures, with more firms closing in September 2017 alone than in the last two Januaries combined.**

It's more likely to be a 'crunch year' for personal injury firms since competition in the PI market is on the rise, according to research by marketing collective First4Lawyers. **The organisation said advertising spend and costs were soaring among PI firms looking to nab a bigger share of the market.** Half of respondents in its snapshot survey of 65 PI firms said the costs of doing business has increased while a third had increased their marketing investment.

This year might also have its share of challenges for conveyancers – which won't be a huge change of pace from 2017. Hopefully, the least of their worries will be that **the Land Registry has said it will publish how many incomplete applications it receives from the top 500 conveyancing firms.** The quango said it sends out 5,000 requisitions every day to conveyancers for further information or action before their applications can be completed, and by publishing that data it could provide the end consumer with a picture of how well



their firm is performing.

With all this change coming our way it's perhaps ironic that one of the biggest drivers of reform, which emerged over a year ago, has lost momentum. In a long overdue response to the Competition and Markets Authority's review of legal services – published in December 2016 – **justice minister Lord Keen said the Ministry of Justice had ruled out a review of legal regulation and plans to separate legal regulators from representative bodies.** The MoJ did agree to review the case for extending access to redress through the Legal Ombudsman to consumers using unauthorised providers. Maybe the CMA wanted January to be a 'crunch month' after that – as in the sound made when you punch someone hard on the nose. [LPM](#)

✓ Have you got a story or report for us? Write to lpm@lpmmag.co.uk

Winston at the CMA had been tasked with waiting for the MoJ's response to the authority's 2016 legal services report. His colleagues said it was perhaps just as well he didn't make it since he wouldn't have liked the news anyway.

IN NUMBERS

Hard progression

Some 4,300 law firm clients chose over 8,000 lawyers for Acritas Sharplegal's global guide for star lawyers – the results suggest male clients may be biased against female lawyers

15%



of lawyers nominated by men were women

And

29%



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Source: Acritas Sharplegal



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**MATT MEYER**
CEO, TAYLOR VINTERS

Too many lawyers continue to make assumptions about what clients want based on their experience of what they have been able to provide in the past. Just talking to clients about what they want isn't enough either. The most important factor is listening, interpreting information received and sharing within the firm. Client experience will only be improved when there is a high and authentic level of communication, when the right problems are being identified and clients and lawyers work together to focus on the most pressing problems. If we continue to see the world through transactions and practice areas, that simply won't happen.

**DAVID BRADLEY**
**NON-EXECUTIVE CHAIR,
RAMSDENS SOLICITORS**

Asking a law firm leader about the most important factor to improve performance and client engagement is like asking a chef which is their best knife. It depends on the nature of the task and firm, which vary depending on client base, fee earner skillsets and, of course, the willingness and ability to invest. But if I had to choose one factor, it would be honesty about what is realistic. Don't go tech if the work type and client base does not suit and don't be seduced by the thought that what you do is unique – it very rarely is. It's always crucial to stay relevant to clients and connect your resource to that. Stop being a lawyer for a moment and be a customer – because what works for you when you put yourself in their shoes will work for your business.



After our last feature article illustrated the work that goes into becoming a client-centric business, we asked LPM readers:

“What is the most important factor when it comes to law firms improving their client experience?”



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**TAYO TAYLOR**
PARTNER, MHHP LAW

One of the most important factors for law firms that want to improve the client experience is communication. We have found that clients want a solicitor who is accessible and deals with cases in an efficient and cost-effective manner. It's also important that clients feel heard and their concerns are addressed in a manner that is clear and avoids legal jargon. Furthermore, the issues that led a client to seek legal advice may be a source of additional stress and anxiety and it's important for solicitors to be aware of that.

**MARIE DANCER**
**SENIOR PARTNER,
RICHARD NELSON**

There are many factors which contribute towards a positive client experience. Innovations in technology that improve communication with clients are always valuable. However, in our experience, the most significant factor is the old-fashioned concept of regular and personable communication. This involves solicitors doing what they say they will do in the time they say they will do it and keeping the client up to date with developments. Most complaints to solicitors firms relate to poor communication and many of them are avoidable.

**NICK JOHNSON**
**MANAGING PARTNER,
GLAISYERS**

The key factor is to make sure you understand what your clients' objectives are. It's key to provide clear advice on what the firm is going to deliver and over what time, and to be open and transparent about the cost. It's vital to show that you genuinely care and are happy to go the extra mile. We do this by making sure our fee earners understand the firm's ethos and principles through training and communicating our vision.

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ASK THE EXPERT



DESIGNER SERVICE

Lucy Kimbell, professor of contemporary design practices at the University of the Arts London, on how firms can use design thinking to adapt and improve the client experience

Q What is your role at the university?

A As well as professor of contemporary design practices, I am also the director of the Innovation Insights Hub, which is a research centre at the university. I'm a specialist researcher who has been studying and teaching design thinking for more than a decade on MBA and MA courses.

Q What is design thinking and why is it now popular with businesses?

A The term first emerged in the 1980s among academics who were studying the ways designers approach problems and generate solutions. Broadly, it refers to how designers identify and frame problems or issues and generate and explore solutions in a non-linear way. They don't simply work out what a problem is and come up with one solution – they explore people's experiences of products or services, learn through small-scale experiments and develop a creative strategy.

The concept has become increasingly visible as an approach to product and service innovation because of its adoption by the consultancy space. Consultancies realised it could be offered to businesses wanting to adapt to customer needs, increased digitalisation and increasingly complicated global supply chains, and now to governments facing complex policy challenges.

Q How is it applicable to SME law firms?

A Small firms now have to deal with complexities such as uncertain operating environments, increasingly complicated supply chains and partnerships, digital interfaces, huge amounts of data, real-time feedback, customers wanting things instantly and the speeding up of work practices. Firms need simplification, and design thinking can bring that because it offers a strong focus on people's experiences as they interact with an organisation through its various touch points, such as letters, email, or face-to-face meetings.

The core expertise of design is mediating between what something is now and how it could be in the future, in a way that balances people's needs, desires and capacities with the technological opportunities and business resources, bringing them together into some kind of design or plan. Many organisations will look at a problem, explore it a bit, come up with a couple of ideas and then rush on to implementation. But in a context of great turbulence, like the organisational and political environment right now, a great idea that someone came up with two weeks ago may not be fit for purpose in a week, let alone a year. So the ability to keep on adapting and iterating in response to new data becomes more important as an organisational capability.

Q How does design thinking benefit firms?

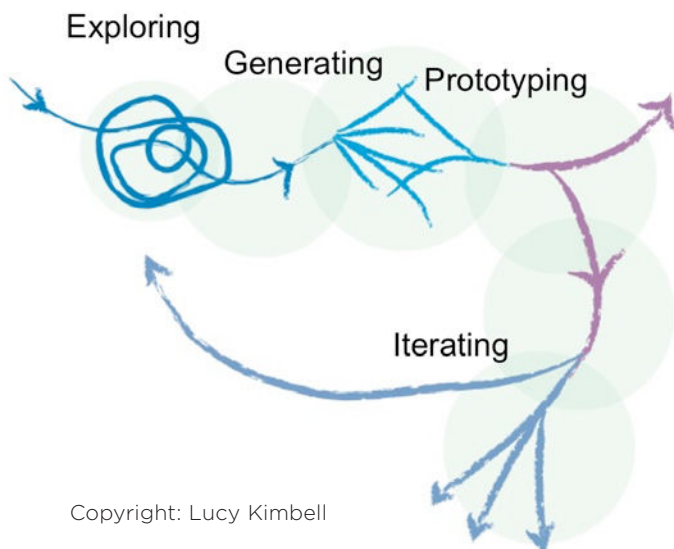
A Small firms have to remain agile and adaptable as their clients and contexts keeps on changing, so the capability design thinking can give them

is something they can benefit from. It enables them to deal more effectively and efficiently with clients by understanding how they experience the service and recognising their changing circumstances, needs and capacities. Design thinking helps firms foreground the client experience and change the way they understand, deliver or 'co-produce' it – intentionally designing the user journey of a service and the infrastructures and supports that enable it. It also benefits firms when dealing with internal staff since law is a very people-based, human-intensive industry. Using design thinking to understand what it's like for people in a law firm as they move up through the hierarchy, and the interactions and challenges they have along the way, can help retention and aid building a healthy and diverse organisational culture.

Essentially, design thinking can be useful wherever technology is changing organisational practices, and people's experiences and active participation is critical to the success of a task. **LPM**

HOW TO DESIGN THINK

By Lucy Kimbell, professor of contemporary design at UAL



Copyright: Lucy Kimbell

Exploring: The first step is using different techniques to explore and understand the problem holistically from the perspectives of different users and stakeholders. This produces insights that illuminate specific aspects of the problem from user perspectives and create 'frames' that aid looking at the issue in different ways.

Generating: Use creative techniques to produce and visualise new concepts, which involves including users and stakeholders in co-designing

solutions, and producing storyboards and mock-ups that communicate solutions.

Prototyping: Get early feedback from users and stakeholders on concepts. Explore the acceptability, resource and delivery implications of concepts, and synthesise what has been learned from prototyping.

Iterating: Take insights and concepts into another learning cycle. Identify further research needed and other stakeholders that need to be involved.

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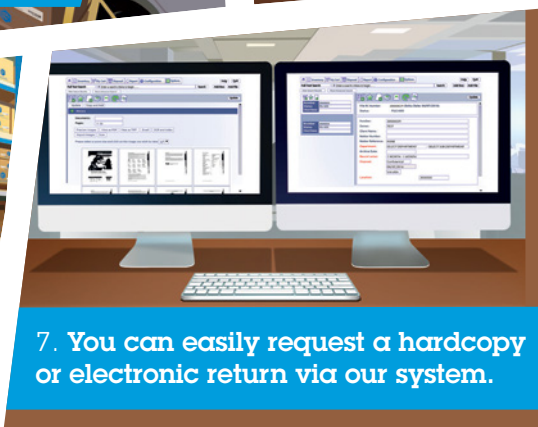
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Q&A

You're hired!

Tricia Chatterton, BPP's training guru, on apprenticeships and why SME firms should consider them

Q We don't hire trainee solicitors but have heard a lot about apprentices recently. Is this something I ought to know more about?

A Many firms would like to grow their own pool of graduate talent but don't hire trainees because it's too expensive to fund them. Embracing apprenticeships could be the answer. The apprenticeship levy can provide full or part government funding to employers (regardless of size), allowing them to train their own talent. Some firms are uncomfortable with the idea of taking on 18-year-olds fresh from their A-level studies, but those that have report high levels of satisfaction with their motivated and high-calibre paralegal and solicitor apprentices. But with the imminent opportunity of being able to access funding to take graduates on to a solicitor apprenticeship, training graduates is no longer the preserve of large firms. This is also good news for the many talented prospective recruits who aspire to practise family or criminal law, for example, but are drawn to the big commercial firms because historically only they offered funding. With many firms deeply concerned about the consequences of the new SQE proposal for the quality of candidates, training your own talent may also be the safest option.

Q So, what advice would you give to a firm starting to think about its apprenticeship plans?

A Rarely is any firm exclusively engaged in high-end advisory work and so embracing apprenticeships will help firms deploy the right people for work that doesn't require such a high

level of input. That said, it's absolutely critical for the whole firm to commit to the idea of hiring apprentices. The decision should be about having the right blend of workforce in your firm rather than simply being able to draw funds from the levy pot. It will be obvious when apprentice candidates come to meet you if you're lukewarm to the concept. They will need to know you are offering apprenticeships because you believe in them. With many more firms aiming to recruit talent at apprenticeship level, early planning is essential to get the best people.

Q If we do start to hire apprentices how will we manage the requirement to give them sufficient time to study?

A The government is clear that an apprentice must spend a minimum of 20% of their employment on off-the-job training. Most employers comply with this by allowing a day a week for study, which is simple for everyone to adhere to. Obviously, having apprentices all heading out on the same day might be an issue but a good training provider will be flexible around the days that apprentices study and whether they study at university, remotely at home, or from the office. Good planning with your provider should ensure that you can successfully

manage your apprentice workloads accordingly and put a brilliant framework around them so that their growth and your expectations are well managed. BPP has listened to the profession and is currently developing a number of new programmes including a graduate-entry solicitor apprenticeship for those firms who prefer to continue to recruit from a graduate pool. [LPM](#)

Tricia Chatterton is director of legal apprenticeship programmes at BPP University Law School.

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GET OUT OF THE OPEN



Polly Jeanneret, LPM's HR guru, on concentration in open-plan offices and staff who have suffered strokes

Q A young lawyer has complained about the noise levels in our open-plan office. We are very proud of the space but she says it is affecting her concentration – and that she is not the only one it's affecting.

A Spoiler alert: this response doesn't have a happy ending for you. Your lawyer is 100% correct and you should start rebuilding your walls now. We have known for years that open plan is a real estate trick enticing you to spend lots of money in the name of collaboration. It's not just me saying this – experts way back

in 2005 compiled a study which showed that 99% of open-plan worker respondents reported that: "Their concentration was impaired by various components of office noise, especially telephones left ringing at vacant desks and people talking in the background." Then there was Susan Cain, the once-corporate lawyer, who wrote about the problems of being an introvert in an extrovert's world and where open-plan workers "worry about co-workers eavesdropping on their phone calls and spying on their computer screens," and "are

more likely to suffer from high blood pressure and elevated stress levels and to get the flu." Should I go on? Of course there are degrees of 'open-planness' (for want of a better word). As far as I and the scientists are concerned, the less 'open-plannish' the better. To twist the words of Pink Floyd: "We don't need no office distractions, all in all we just need more bricks in the wall."

Q A senior solicitor had a stroke a year ago. He is now back at work. It's basically fine except his short-term memory can be a bit shaky. We are happy to make allowances but also need to get the job done. Any advice?

A Short-term memory loss is a classic post-stroke problem – and if that's the worst symptom, that's good. We are fortunate that this is a

lawyer we are talking about here because there is one well-used skill that we can get him to really engage with – writing everything down. Perhaps it needs a tactful conversation, between him and someone he trusts, recognising that he is struggling to recall certain things and that he would benefit from more note-taking. And any instructions to him should be written down. Otherwise, less is more – reduce distractions and make sure he gets regular breaks. Both of these will help his concentration and memory. And that goes for all of us. **LPM**

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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Since outsourcing is often the flexible go-to solution for large corporations, banks and technology suppliers, are SME law firms missing a trick when it comes to resource management if they're not doing it?

I can't speak for alternative business structures, but certainly the nature of legal partnerships' composition (LLPs and traditional partnerships) makes it unlikely for them to consider developing and supervising specialist non-legal supplier services in-house – since they may be largely comprised of lawyers. Though many have strong management functions or may be on the forefront of inspirational boards with in-house non-legal expertise, economies of scale don't necessarily support employing in-house experts in non-legal practice.

But do they really want in-house specialists anyway? Where those experts are employed by legal practices, their vista is influenced by in-house roadmaps and they are often supervised by lawyers. So, how long can they really stay experts in their field?

Outsourcing and buying in expertise, on the other hand, can provide insight and experience, which facilitates dynamic responsive development of SME practices. Most firms have an HR manager or a practice manager who covers the same work. But how efficient would their HR practices be if they considered buying in expertise when needed to drive their policy and practice on performance management, project work on expansion or restructures?

IT is an obvious function which is often outsourced with variable results. With so much investment in cloud platforms for both telephony and IT infrastructure, understanding the IT tasks

to be outsourced can be a minefield. There is the local network, the office and user connectivity (often required for a virtual presence), practice management systems and their development and cybersecurity – to name a few. Managing a tender for outsourcing in any of those elements can require investment in consultancy for the right level of due diligence.

The less obvious as-a-service solutions that are now becoming more popular include finance and operational management – with finance directors and COOs delivering expertise and exceptional market insight. It seems second nature now for law firms to outsource switchboard, their digital front-of-house, marketing and website development. Outsourcing finance and strategy can also provide flexible, cost-efficient solutions for SME firms that would not be affordable or even desirable for a full-time in-house presence.

With clever outsourcing, managing partners or CEOs no longer have the lonely task of leading practices where they are expected to have all the answers. That doesn't mean the firm's brand or market presence is diluted – quite the contrary, it should be invigorated.

Assuming the outsourcing review is complete and that all the expertise and project management is in place, the task of managing expectations, compliance, reporting and accountability of outsourced agencies is still relevant. It requires mapping and reporting on outcomes, which simply may never have been achieved with an in-house supplier.

It is an exciting time to be involved in SME legal sector management – since with more opportunities for business systems development, the cloud is not the limit for as-a-service. **LPM**

ABOUT

Jane Pritchard
Systems and BD manager
and head of housing and
community care
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OLD SCHOOL CHANGE

BARRY DAVIES, PRACTICE DIRECTOR

The late American author and motivational speaker Leo Buscaglia once said: "Change is the end result of all true learning." This could not be a more relevant statement in today's ever-changing world, where it's increasingly important to ensure firms and their staff are up to date with transformation in the industry.

But perhaps one of the most significant changes firms will need to adapt to is in learning itself – specifically in the way fee earners qualify as solicitors, or in their continuing post-qualification professional development.

Changes to qualifying started in 2014 with the 'equivalent means' route. But in September 2020 the new Solicitors Qualifying Exam (SQE) will come into force, and by 2022 we will see the first cohort qualifying by this means – having sat a two-stage examination and taken a period of recognised training experience.

There are two key changes introduced by the SQE. The first is the order of play – with the SRA seemingly taking into consideration the high cost of the Legal Practice Course, which has previously put off many students. The second change is that the experience gained from a period of recognised training can be spanned over four different organisations. The existing training contracts allow an exemption for time to count, but this is different.

Until the costs of the centralised exams are known, it's very difficult to say if this change is going to lift the gate to entry or be a further barrier. Training contracts remain very difficult to obtain.

Yet, the most recent Law Society statistics show that the number of new trainee solicitor registrations has increased by 5% on the previous year. This could be an indicator of greater confidence among law firms since the 2008 recession.

And on the side of post-qualification learning, November 2016 saw the abolition of recording 16 hours CPD and the introduction of a new regime requiring firms to reflect on the quality of the practice and to test staff's knowledge and competence to ensure the workforce is up to date. While other professional bodies have also adopted this scheme, they retained the recording of hours – and surely that must be the more sensible route. Otherwise there will be the subconscious bias toward cost-savings to the detriment of competence.

The one quite baffling change in all of this was the removal of the compulsory requirement for qualified solicitors to take the stage one management course. The view was that this requirement came too soon in a solicitor's career, but this has removed the need for essential training to become a manager.

The requirement to undertake 12 hours of management training remains for those bestowed with such responsibility, but more focus should be placed on how a law firm operates. While the professional skills course electives cover some aspects of management early in the training, we can't be certain of that structure being with us in future. I was always in favour of the second stage of the management course and would often suggest fledgling law firm leaders take this course before signing up to partnership or equivalent. [LPM](#)



“The one quite baffling change was the removal of the compulsory requirement for qualified solicitors to take the stage one management course.”

ABOUT

Barry Davies
Practice director,
Douglas-Jones Mercer
www.djm.law.co.uk

Revenue: £3.5m

Corporate status: Limited company

30 fee earners, 50 total staff

Offices: Swansea





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GETTING UP TO DATA

ADRIAN JONES, THE TECHNOLOGIST



In February 2017, only 68% of law firms surveyed in LPM's Legal IT Landscapes report confirmed that they would be ready to treat personal data in line with the GDPR by 25 May 2018. Jump forward a year and many of those firms that were burying their heads in the sand have sprung into action. But how do we work together to drive new compliance procedures?

Of course, we've all heard the horror stories of massive fines, intensive data processing and data breach procedures – but few stories have covered the positives, such as the chance to collaborate with fellow software users and suppliers and drive innovation.

Yes, your technology provider should have equipped their systems with the right functionality to help you manage the new legislation, but it's not their responsibility to make you compliant. Take advice from your supplier but also communicate and network with other firms to work out what will work best for you. Compliance is unique and should be approached as such, but communicating with others offers you a head start on getting it right.

Ask your software supplier if they run a user group – this is the best way to meet and collaborate with them and other users of the same software. When users are not supported by a thriving user community, it is easy not to be on top of software updates and changes – these changes could be an essential step in your firm's compliance this year and beyond.

It's also very easy to become disheartened and even disillusioned with your technology when you don't know the direction it's heading in. You want to be using applications that you know are being developed, are

going places, and that will ultimately support your firm's ambitions well into the future. Let's not forget that purchasing any sort of new technology for your firm is no light investment.

If you're looking to onboard new technology in the next few months or years, my advice is not to base your decision purely on functionality. Base it on the full experience.

Make sure you can be involved and engaged as part of an active user group.

It's not just meeting users of the same software and getting tips from your supplier that make a good user group worth attending. It goes way beyond that. Being part of a user group offers the chance to influence the direction of the product and drive innovation.

We know the GDPR is coming. We know when. But what we don't know is what will happen in the months and years that follow 25 May 2018. You need technology that is robust and that will keep you compliant as the legislation adapts and changes in the future.


Collaborating with your peers on the GDPR and other technology projects will ensure you share knowledge and grow with the firms that are technology trailblazers in the marketplace. **LPM**

“ We know the GDPR is coming. We know when. But what we don't know is what will happen in the months and years that follow 25 May 2018. ”

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THREE MONTHS TILL G-DAY

NICK HAYNE, CLOUD EXPERT



“In the legal sector, there are still more questions around the GDPR than answers – especially on the processes needed and how firms will be affected.”

The compliance deadline for the EU's General Data Protection Regulation was just over three months away when this magazine went to press – and the reality of the situation has set in for many organisations. In industries where working with data is part of everyday operations, such as marketing and retail, the GDPR hasn't necessarily caused much disruption – certain things need to change, but much of what's needed is being done.

But in the legal sector, there are still more questions around the GDPR than answers – especially on the processes needed and how firms will be affected. Most firms are aware of the potential fines, the need for new reporting and changes to consent. The key question for many is still: where do we start? Firms still need to consider how personal data is defined, what the regulation will mean for third-party involvement, and where cybersecurity fits into all of this.

The new GDPR has been established to increase protection of EU citizens' privacy, and as such firms need to show data is being processed lawfully and transparently, collected for specific purposes, and that data is accurate and, where necessary, kept up to date.

So how do you get there? First, form a GDPR working group, which should include representation from across the business and be supported from the top down. Firms then need to identify their information assets: how data flows through the organisation, where information assets are, who holds them and how the data is classified – is it personal or sensitive?

This is important because it allows you to understand if you have the right consent, identify data duplication and data handlers, which feeds into your business continuity and recovery plans.

Furthermore, if you have a cybersecurity strategy in place you can mitigate the risk of an attack or a breach. The regulation and cybersecurity are inexorably linked, so frameworks such as Cyber Essentials Plus or the IASME (International Association of Mechanical Engineers) standard, which incorporate principles of the GDPR into their processes, will help buttress your data fortress.

GDPR compliance is not just a tick-box exercise – you can't achieve compliance and move on. It's an ongoing endeavour that touches all aspects of the business and changes as the business, market and regulation requirements change.

You need to adopt the attitude that compliance is continuous. It's something that your organisation will need to monitor, track and adjust to maintain. Consider consent – just because you have it today, doesn't mean you have it tomorrow. Remember, the consequences for non-compliance with the GDPR are severe, and demonstrating compliance is as important as achieving it.

Working with a partner can be beneficial throughout your compliance journey, whether that's helping with the compliance itself, or guiding you through a cybersecurity framework, or advising on continuous compliance. And regardless of where you are in your journey to comply with the GDPR, it's always worth getting advice from those who understand both the compliance landscape and the needs of your business. **LPM**

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DAVID GREEN, THE STRATEGIST



“When a set of objectives sits in the leadership’s minds, it’s easy to gloss over them when the desired results aren’t achieved.”

Whether a business is seeking growth or is at a stage of its evolution where it could contract, it needs to have a well-written and excellently communicated strategy.

This is because, while a firm’s owners and managers may be aware of the business’s overall strategy, the rest of the staff might not be – and, after all, managers may implement strategy but employees deliver it. When a set of objectives sits in the leadership’s minds, it’s easy to gloss over them when the desired results aren’t achieved because sub-standard performances are tolerated or plans aren’t adapted when necessary.

A firm’s objectives need to be clearly stated in a simple document that sets out the business’s goals, financial forecasting, how the strategy will be achieved and by whom. Goals should be a simple and understandable statement (or statements) of what the business wants to achieve, such as a 10% growth in revenue in one year or 15% reduction in expenses over three years.

Financial projections should set out both projected spend and income, which is broken down by department and then by individual. Forecasting doesn’t need to be exact but it should be realistic. The starting point is easy as figures can be run from the last set of accounts.

The document should also establish managers’ and employees’ responsibilities in the strategy and their role in how the business will achieve its goals – such as investment in a new website and digital marketing

campaign or a new headcount to increase work output. For example, if the HR department is to assist in reducing headcount through redundancy or individuals/department to increase billing through revised targets, those involved need to be told what is expected of them.

The best way to do this is by setting them objectives and targets, which should set out what employees are expected to achieve, as well as how and when their performance will be monitored.

Of course, writing down the strategy isn’t enough – it must be effectively communicated as well, but particularly to those who can influence its implementation and delivery. Even if a person doesn’t have a direct input into decision making and financials there is no harm in them understanding the firm’s overall strategy.

The final and extremely important part of the strategy is monitoring progress. The firm needs to record what has actually been achieved and compare it with objectives and expectations on a monthly basis. It’s then easy to see whether the business is achieving its goals or not.

By doing this, managers can appreciate and reward performance and underperformance can be quickly recognised and addressed. And when objectives are not being met, the firm should identify what has happened and what needs to change to rectify the problem. Equally, it may turn out that the plan was overambitious and needs adjusting, or perhaps that the strategy has yet to be realised and performance is expected to improve later.

It’s important to review your strategy and adapt – which you can only do when it’s written down. No one can predict the future but you can quickly analyse pockets of time and adjust and change your strategy. **LPM**

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THE CASE STUDY FOR OPTIMISM

NATASHA RAWLEY, THE FILE QUEEN

Happy 2018, LPM readers. Sorry it's slightly belated – most of you will have settled nicely at your desks and be planning away for this year's projects by now. And I suspect many of those will involve the EU's General Data Protection Regulation, that new legislation we've all been tittering about for over two years, which will be enforced in just over three months.

So, I thought I'd kick this issue off by sharing some details of our clients' projects that have been part of their GDPR prep – hopefully it will give you some insight into small internal changes that can be made to help compliance.

One of our law firm clients moved offices in late 2017 and decided to use the move as a catalyst for process changes needed to comply with the GDPR.

How did they do this, I hear you ask? The firm started with a monthly hardcopy file amnesty five months before the move. Fee earners, partners and PAs were assigned a date on the first week of every month to hand over old or hidden files from under desks and secret storage cabinets – with no questions asked or hard slaps on the wrists.

Those files were then barcoded, registered and archived. Not only did the firm locate historically missing files by doing this, but those files could also be tracked – giving all files an audit trail. GDPR triple tick!

Lurking, recalled files and old files that had been recalled some time ago were also handed over during the monthly file amnesty, which meant they could be reviewed by fee earners right away.

If the files were past their retention period, the firm reviewed them, updated the system and sent them back to archive storage on a destruction instruction – full audit trail and secure destruction completed and documented.

Office space freedom was another challenge that helped the process of GDPR compliance along. This particular practice moved to an office space that had a third of the space of their previous residence – so, not only did they not have space for storage of historical files, they also had no room for all the unclosed files in the office.

This was the practice manager's chance to shine – and get the paper-light process (which had been waiting for a while to be implemented) moving. Open files were barcoded, registered and sent offsite for scanning, and during the moving period and after fee earners were given consistent access to these files in electronic format.

It was an adjustment for the fee earners but it pushed a new process. And it was a GDPR win because the documents were more secure offsite and had full audit trails, and files were hosted on a secure, encrypted EDRM (electronic document and records management) system for access instead of being transported by fee earners in hard copy.

Next month I'll be back with more insight into law firm GDPR projects, so watch this space. Alternatively, please come by the ADDS stand at the LPM London conference on 6 February if you're there and I'll be happy to tell you more in person. [LPM](#)



“ Staff were assigned a date to hand over old or hidden files from under desks and secret cabinets – with no questions asked or slapped wrists. ”

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SPICE OF BUSINESS LIFE

Can SME firms learn to be more diverse and inclusive to attract a broader range of clients and become better at recruitment and retention? Patrick Wingrove reports

Regulators have pushed for better diversity and inclusion practices in the industry for several years now. They need to – and likely will – keep that momentum going into 2018, because, while firms broadly have done much to help shed their images as stuffy institutions filled with white men, evidence suggests they could do more.

An SRA report from October 2017, which took in data from over 10,000 firms, showed that more women and black, Asian and minority ethnic (BAME) people had entered the profession but partnerships were still dominated by white men. An International Bar Association study from January 2018 also suggested many law firm diversity policies had failed to help women achieve equality with their male counterparts.

Clearly, a lot of lip service is still being paid to diversity but those pushing firms to make it a core part of their business are right to do so – not just because of ethical and regulatory considerations but for competitive ones too.

Andrew Spearman, director at London firm A City Law Firm, says businesses that are more diverse and inclusive are also more competitive because they find it easier to procure, retain and encourage staff and to attract clients.

“It’s quite simple. A more diverse and accepting environment leads to happier staff. A happy worker is an efficient worker who will be willing to go the extra mile for the business and its clients, which delivers better results and promotes brand loyalty.”

Arguably so. Inclusive practices also give the firm access to pools of perhaps previously untapped talent. He adds that if staff are representative of their clients, they’re more likely to drive business through the door and can improve their recruitment and retention rates.

The numbers appear to back him up. Global management consultancy McKinsey & Company suggested in a 2015 report, *Diversity matters*, that gender-diverse and ethnically diverse firms were 15% and 35% (respectively) more likely to outperform non-diverse businesses. A survey from big-four accountancy firm EY also showed that firms with at least 30% female leaders could add up to six percentage points to net margins.

So, how do firms ensure that they’re truly embracing diversity and inclusion and, in the process, better representing the people they legally represent? Lesley Brook, director at Pinsent Masons-owned diversity and inclusion consultancy Brook Graham, says the journey starts with a thorough analysis of what the firm wants to achieve.

“Every organisation has its own challenges and opportunities when it comes to this. Firms need to build a picture of staff profiles and their recruitment and talent pipeline and develop a roadmap around that. Diversity and inclusion is about change management and managing the firm’s talent as a key asset, which can give you competitive edge.” She adds that most SME law firms won’t have the resources to create a separate diversity and inclusion strategy, so they need to integrate it into everything they do.

HIRE LEARNING

The most obvious place to start this integration is in recruitment, since a firm’s diversity is determined by the variety of people who work there – and it delivers immediate competitive benefits by widening the talent pool from which the business can select capable staff. Brook says firms can take the first step needed to improve recruitment practices by constantly challenging themselves on whether their net is wide enough.





“Getting new people should be about finding a good mix of really talented people that we might not see if we don’t challenge our ‘default thinking’ and methods. For example, if a firm traditionally only goes to a handful of universities for graduates, its leaders should ask whether it’s missing talent by doing that. The same could also be true if the firm only advertises on a medium read by a particular group of people.”

She adds that once firms’ recruiters start questioning age-old practices, they can begin thinking of new ways to engage with a more diverse pool of talent. “There are lots of organisations that spend time talking about their industry in schools to promote the idea that a

career in that sector is possible, and potentially attract young people who might not have even considered that direction before.”

Firms could also offer different routes into the industry to attract a more diverse workforce. Nikki Leatherland, head of HR at London firm Peters & Peters, says firms might consider hiring apprentices or offering work experience and vacation schemes to help build career paths for talent with different backgrounds.

“There’s a lot of nepotism in the legal industry, so it’s important to build avenues around it and ensure more equal access to the profession. Our firm, for example, has an apprentice in its accounts department and has long offered a work-experience scheme, which favours those from non-privileged backgrounds.

“HR people or those responsible for hiring must make sure they’re looking at CVs with a completely objective eye – so they’re not unconsciously preferencing a John over an Irfan.”

Nikki Leatherland, head of HR, Peters & Peters

“Not only are these paths cost-effective because of their nature and government sponsorship, but they also provide great opportunities for entry into the field.”

DIVERSE IN PRACTICE

Of course, it’s one thing to widen the net but another to make sure excellent recruits don’t slip through holes opened by unconscious bias. Leatherland at Peters & Peters says firms need to be conscious of how potential employees are processed.

“HR people or those responsible for hiring must make sure they’re looking at CVs with a completely objective eye – so they’re not unconsciously preferencing a John over an Irfan when they have the same qualifications.

“We have been trialling blind CV-checking so that information which might prejudice hiring decisions, such as forenames or academic institutions, are omitted. This prevents the hiring manager, perhaps the managing partner, from choosing CVs based on personal preference – for example, if the candidate went to Cambridge.”

Closely linked to recruitment is development – giving staff of all backgrounds what they need to thrive and contribute to the business. Brook at Brook Graham says a key part of this strategy is forming a picture of what the firm’s leadership could and should look like.

“They need to work really hard to base decisions on clear, objective criteria. It’s an area where unconscious bias can easily get in the way, so decision-makers need to be alert to that and ensure they do everything they can to identify and tackle any unintended bias. It’s not enough to have a great development and promotion policy written down. It’s about how those policies get implemented in practice.” She adds that developing a plan will ensure that the right people are given the right opportunities at the right time, based on merit and regardless of background.

But it’s also important that firms have the right tools in place to enable career progression for those who might previously have been excluded. Spearman at A City Law Firm says cloud and other flexible work-enabling technologies allow

parents, who would otherwise have had to take a step back from work, to keep their career trajectory going.

“These days both men and women benefit from the flexibility technology brings, but traditionally it was women who had to put their career on hold. If a firm adopts these technologies its staff can work hours that suit them and from home, which is ideal for parents and means the firm can continue to benefit from that person’s talent.

“From a recruitment perspective, it also means that the firm widens its talent net further, which gives it a competitive advantage over businesses that don’t have a flexible working policy.”

CULTURE VULTURE

Recruitment and development, however, is only half the battle. If firms really want to drive diversity and inclusion and reap the benefits that come with that, they need to infuse it into their culture.

Sarah Watkins, head of compliance at Cardiff-based NewLaw Solicitors, says her firm starts this cultural fusion in its induction process.

“Whenever someone new joins us we take them through an induction programme which touches on the firm’s commitment to diversity and inclusion. That way, everyone knows what we’re about and what’s expected in terms of inclusion from the word go.”

She adds that firms might also choose to promote communication between people of different backgrounds by creating diversity forums.

“We have an internal group called Iris, which is LGBT focused. We also have an equality diversity and inclusion forum which includes senior managers within the business. The forum covers all the protected characteristics and communicates diversity dates to staff to commemorate, celebrate and mark. It’s also used to organise events, send out information and encourage staff to contribute.”

Mark Hand, senior communications manager at West Midlands firm Higgs & Sons, agrees that forums are excellent ways to integrate diversity into a firm’s culture, and adds that they provide a tool for the leadership to drive those policies from the top.

“We have a respect and inclusion group which draws on people from all areas of the firm. It’s not hierarchical, it’s a representative group, but it does give the leadership an outlet to drive the firm’s policies, practices and culture.

“These policies have to be driven from the top or they won’t stick – if they are, then it becomes a part of the firm’s ethos rather than a bolt on.

“And, of course, driving this commitment to respect and inclusion makes it easier to recruit

FIRM FACTS

Peters & Peters

Revenue: £12.4m

Corporate status: LLP

**52 fee earners,
79 total staff**

Offices: London

FIRM FACTS

NewLaw Solicitors

Revenue: £23m

**Corporate status:
Limited company**

**325 fee earners,
468 total staff**

**Offices: Glasgow, Cardiff,
Bristol**

FIRM FACTS

Higgs & Sons

Revenue: £17.1m

**Corporate status:
Limited company**

**126 fee earners,
227 total staff**

Offices: Brierley Hill

FIRM FACTS

A City Law Firm

Revenue: Over £750,000

**Corporate status:
Limited company**

**Eight fee earners,
13 total staff**

Offices: London



and retain talent because workers are happier and more productive.”

FAIRER REPUTATION

The reason that it's easier for diverse and inclusive firms to recruit, of course, is that they've bolstered their brand through their commitment – but potential employees aren't the only people the firm can attract. Watkins at NewLaw explains that many organisations, public and private, are interested in working with law firms that can demonstrate a commitment to diversity.

“Businesses are often attracted to firms with the same values as them – and some, perhaps more importantly, are unlikely to work with those that don't. Public authorities, as an example, won't consider law firms that can't demonstrate equality in their businesses. I suspect this goes for plenty of our private and public entities too.”

She adds that firms can make themselves stand out by publishing their diversity data for clients and potential employees to see – so long as it is something to be proud of.

“NewLaw openly advertises, for example, the fact that 63% of its staff are women – so female staff are the majority. Of course, firms don't have to stop with gender – they can register how many BAME people are at the firm or how many LGBT and publish that as well.

“Businesses are often attracted to firms with the same values as them – and some, more importantly, are unlikely to work with those that don't.”

Sarah Watkins, head of compliance, NewLaw Solicitors

“Law firms can also highlight their commitment by taking part in the Law Society's diversity and inclusion charter, which is a biannual submission where you answer questions about what the firm does for diversity and inclusivity across the board and get ranked between bronze and gold for various areas.

“There are plenty of other organisations that can also carry out an audit of the firm. We made a submission this year to Stonewall for their workplace equality index submission to highlight how well we're doing and, more importantly, where we can improve.”

But private clients are just as likely to pick a law firm based on its diversity and inclusion practices, because some will want the firm to share their values and others to be represented by a lawyer that represents 'who they are'. Hand at Higgs & Sons says that reflecting clients' backgrounds is particularly important for SME firms that serve specific communities.

“Firms need to reflect the communities they come from if they expect those people to come to them with their legal needs, whether they be in terms of gender, skin colour or sexuality.”

Diversity and inclusion has become a key element of the way businesses conduct themselves over the past decade – and law firms aren't exempt from this. But if firms make a real commitment to equality they won't just avoid a slap on the wrist for non-compliance but see real competitive benefits, including increased productivity, recruitment and retention rates and levels of business. That requires a strong focus on the firm's culture and recruitment and development practices, which will enable the firm to better represent the communities it serves. **LPM**

FIRM FACTS

Roythornes**Revenue: £14m****Corporate status:**
Limited company**75 fee earners, 180 total staff****Offices: Peterborough,
Alconbury, Spalding,
Nottingham**

Green is good



Ann Barrasso, operations and support manager at north-west firm Roythornes Solicitors, sets out how to assess and improve your firm's carbon footprint with an environmental audit – and why that's important for business

There is a widespread acceptance within modern society that businesses, large and small, have a moral, social and ecological responsibility to ensure they limit their carbon footprint and impact on the planet wherever possible. Law firms might not seem like the greatest green offenders – after all, our products are fuelled by knowledge and training rather than coal or oil. But there are still plenty of ways firms can impact the environment, such as in their use of paper or whom they choose as suppliers – and addressing these issues is good not only for the planet but for business too.

So, how do you work out how green your firm truly is so you understand what the firm has got to do to become a more environmentally-friendly business? The answer is, an environmental audit. Roythornes underwent a stringent auditing process from environmental consultancy Investors in the Environment (IIE) in 2017 – and was commended on several points, such as almost halving carbon footprint since 2012 and engaging suppliers that offset carbon logged with fuel cards and waste recyclers by planting trees.

This was quite an achievement and was the result of a company-wide commitment to work smarter and more sustainably, and with a renewed focus on reducing environmental impact individually and as a business. But none of it happened overnight – there was quite a journey to getting the firm ready for and taking the audit.

INTO THE WILD GREEN YONDER

There's not really a one-size-fits-all approach when it comes to environmental accreditation, and choosing the right level of accreditation to suit your business is vital. Despite the potential challenges, as a business we committed to achieve the IIE's coveted green accreditation – which we did.

As well as the obvious ethical reasons for going green, some firms might also have their own business case for driving environmental change. A primary area of operations for Roythornes is within the agricultural sector, which involves advising farmers and landowners on matters

including agricultural land development schemes, renewable energy projects and numerous other environmental issues – so there was a clear reason to evaluate and improve the firm's own environmental processes.

Using the processes advised by IIE, we set about working towards the following strategy: first, commit to company-wide environmental policy, including senior management buy-in and identification of a staff champion to monitor progress and then measure resource use, including energy, water and non-recyclable waste. We also set Smart targets (specific, measurable, achievable, realistic and timely) for reduction of environmental impact. Furthermore, we created an action plan, and applied for onsite auditing.

As well as reviewing internal policies and practices, we also reviewed how our suppliers conducted business and their sustainable practices. We actively sought out suppliers that shared our commitment, many holding or working towards their own accreditation. Additionally, looking to local suppliers is a relatively straightforward way to reduce environmental impact through the reducing of fuel emissions needed for delivery of supplies.

And by developing an awareness of how we conduct business across our four offices, measuring and evaluating our successes and areas for improvement, we made a commitment as a business to actively take steps and work as smart as possible within the limitations we had as a compliant business.

Across the six key areas of assessment during the audit (policy, monitoring, targets, actions, communication and evidence provided), we scored 354 out of a possible 372 marks. Some of the points we were commended on by IIE included our drive to continually improve internal procedures and the overall culture at the company, which fosters a good sense of environmental policy, and engaging with suppliers that also share this commitment.

Achieving this score involved many different initiatives, including planting over 1,000 bulbs at our Spalding office, increasing recycling facilities



within the offices and participating in a zero waste week- predominantly a social media campaign where people sign up to a mailing list.

IT'S NOT EASY BEING GREEN

Achieving an environmental accreditation shows to our team, suppliers and clients that we are acting on our environmental pledges rather than simply saying that we are. With that in mind, it is vital not to become complacent once the accreditation has been achieved and to be aware of the commitment made to continually work towards a reduction of environmental impact and to improve internal policy. Make it a key goal in your business to constantly improve or maintain your environmental status – Roythornes, for example, is aiming to retain its green certification and build on its progress so that it gets full marks for its next audit.

We were delighted with our overall

“Law firms might not seem like the greatest green offenders. But there are plenty of ways firms can impact the environment.”

scores but, as with anything in life, there is always room for improvement. For example, we have invested in video conferencing facilities across our offices so we can better connect with employees based in our locations as well as with our clients nationwide. As a result, we can offer face-to-face meetings while limiting the fuel emissions produced through travelling – and this had the added bonus of giving clients the ability to meet with us wherever they are in the world. By the end of this auditing period we hope to

have completed a full review of all staff travel and based on this we will aim to make improvements in how we can travel more sustainably as a business.

The trick, of course, is making sure the drive to better environmental practices doesn't lose momentum – and this means getting everyone on board. The pledge to reduce our environmental impact would never have been achievable in the first place without complete buy-in from all of our people within the firm – from the managing director to the more junior members of our team. We are lucky that we have been able to foster that sense of responsibility across the business which has kept the initiative going long after our last audit.

We all need to do our bit to ensure we are helping to sustain our natural world, and if we each took the time to review how our firms do business, we would be well on our way to improving our planet for the generations to come. **LPM**

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TURN UP THE VOLUME



Martyn Bateman, practice manager at Breeze & Wyles, tells LPM how Tikit P4W has delivered efficiencies, cost-savings and client satisfaction in his firm's high-volume-work arm

How do law firms secure long-term sustainability? Some legal leaders might argue that investing in bespoke and highly valued services is the way to go, since they're often extremely profitable. But many firms have chosen to develop their high-volume work instead, which, while unprofitable on the face of it, can be a great money maker when done in the right way with the right technologies.

Martyn Bateman, practice manager at Hertford-based Breeze & Wyles, says his firm became such a business in 2003 when it launched Breezeplus, which delivers high-volume legal solutions for lending institutions, businesses and housing associations.

"We have two very distinct areas of the firm. The first is our traditional high-street business, which offers wills, probates, divorces and such, and the second is our bulk process legal work for lenders doing remortgages on an industrial basis – about 3,000 a month."

He adds that key to making this low-value bulk profitable is driving efficiencies in the process wherever possible, which delivers cost-savings that can be passed on to the client and makes the services more competitive.

"We were determined to deliver the best service we could in this high-volume work to make it a key money-maker for the business – but to do that, we needed the best technologies to introduce workflow. We chose Tikit P4W because it could drive efficiencies by making the process highly automated."

WORKFLOW WONDERS

Bateman says that processing remortgages is a complicated and arduous process when done manually, and simply wouldn't be cost bearing without technology speeding up the process and enabling the firm to process multiple cases quickly.

"Checking titles, for example, takes time. We need to make sure the name we have is the same as that

LPM FIRM FACTS**Breeze and Wyles****Revenue: £6.5m****Corporate status:
Limited company****30 fee earners, 150 total staff****Offices: Bishops Stortford,
Enfield, Hertford**

on the title, make sure the addresses match, see what charges are out there, who the lender is, identify the lender and then backfill the database with those details." He adds that Tikit P4W completes these tasks automatically, stores the data in an easily accessible database, and even produces the right letters that need to be sent to clients and lenders when they're needed.

"Within just two hours of getting instructions from lender clients, we've checked the titles, decided what the discrepancies are and put the appropriate machinery in place to resolve those discrepancies. It's incredibly fast and means we can get through the first stages of around 200 cases a day." And, he adds, the data is easily searchable because it's electronic and not tucked away in the office on a piece of paper.

ACCURACY AUTOMATED

But perhaps the key efficiency-driving element P4W introduces into the firm's processes is increased accuracy – which prevents registration delays. Bateman says: "The people at the Land Registry expect us to be relentless in checking for inaccuracies, which they should. But the problem is when someone is checking details for hours every day, especially on such large numbers of cases, they become 'word blind' and mistakes get made." But, he adds, P4W automates that process by running one database against another and picks up any mistakes made – thus removing human error and freeing up employees' time to do more valuable work.

And it's this element of the transactions that Breeze & Wyles plans to work on with Tikit more closely. Bateman says that having a flexible case management system enables his firm to work on automatic completions, which it hopes to integrate into cases in the near future.

"We want to be in a position where as soon as money hits our accounts, so that we have mortgage funds and enough money in the client account, the system completes the transaction automatically – which includes producing the right paper and prompting the relevant partner.

"This would reduce risk further by

stopping money errors being introduced – another element of the services that is vital to keep clients happy."

SUPER SERVICE

And ultimately, the core advantage of processing transactions quickly and accurately lies in the benefits that can be passed onto clients – whether through cost savings or improved client experience – which makes the services more competitive and a more valuable asset to the business.

Bateman says: "We still have to send contracts out to the other side and we can't control how fast or slow they move, so often the overall transaction still takes time. But because we're fast on our end, clients are happy because their contribution to the process is done quite quickly, and the cost to them is reduced."

But driving efficiencies isn't the only way P4W helps the firm improve its services and attain competitive advantage – it also helps the firm streamline its client communications.

"We can keep clients updated on their matter quite easily via text on our systems – and people like that method of communication because it's simple and they use it every day," says Bateman.

"It's a vital part of our service, because there's nothing more frustrating for clients than having to call up their lawyer and ask how their case is progressing."

And, he adds, P4W-improved communication also helps the firm stay on top of its compliance responsibilities by enabling it to input diary dates on matters and automatically message clients with up-to-date costs.

"This is particularly beneficial during litigation, which can go on for several months, since constantly sending messages to clients in those instances can take up a lot of fee earners' time."

High-volume, low-value work might be expected to generate low margins, but it can be quite profitable so long as a business can sustain large numbers of transactions and complete them at a fast rate while providing a high-quality service. It's tricky to pull off, but Breeze & Wyles has made its bulk-work arm a key funder for its future by using the right tech such as Tikit P4W. **LPM**

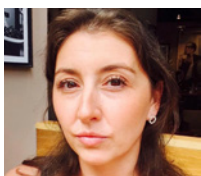
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WHEN IT HITS THE SCAN



Claire Henry, records manager at Elkington and Fife, on creating an online filing system with EzeScan to help deliver competitive benefits to clients

Competition. Law firms with corporate clients know it well, since most of their expertise is geared to helping clients get a market lead – but to do that, they must also offer a competitive and quality service.

Claire Henry, records manager at south-east intellectual property boutique Elkington and Fife, says her firm's main goal is to help clients attain an edge, which it can only do by offering high-quality legal services. The firm sought to progress that aim in 2016 by finding cost-savings and driving efficiencies.

"I was tasked with reviewing our systems and processes to find out how much money we were spending and on what. One of our biggest outlays was physical file storage, which isn't surprising since IP is quite paper-intensive. We estimated that we could save about £40,000 a year on overheads by getting rid of them, which could then be reinvested in systems development."

She adds that the firm approached EzeScan to help digitise its files onto a digital database so that its physical document stockpile could be destroyed, and to ensure that all documents could easily be scanned into it in the future.

"We've digitised about 70% of our files so far, and we now have a high-resolution scanner in the office which puts files straight onto the server. EzeScan gave us an initial assessment and helped us integrate all of that into our IT infrastructure. I was surprised in the end how few GBs you need for the system – it's fewer than are needed to run my smartphone."

CASH IN THE SCAN

A key consideration when investing in a cost-saving solution, says Henry, is how long it will take for that money to come back to the firm – and document digitisation was pursued because it offered a substantial and fast return on investment.

"The cost of getting a scanner into the office and installing the right software was about £5,000 and we've saved £20,000 in less than a year of doing this. It's a very quick return, and by the end of 2018 it will be even more because we will have completely shed our storage costs." She adds that having documents stored on computer also negates the cost of transporting to and from the storage facility.

"Anybody in our business can now get access to files instantly without having to spend time requesting them and incurring the cost of locating and transporting them."

The firm isn't just focusing on what it can save in storage costs now, but how it can reduce compliance costs as well once the EU's General Data Protection Regulation comes into effect.

"The GDPR's requirements mean that having physical files could be very expensive after May 2018. Many firms will likely be inundated with data subject access requests, and providing that data will be very costly if they have to constantly ferry files back and forth from storage."

But the key outcomes of this cost-saving measure, says Henry, is that the firm can afford to invest in technologies that will bolster productivity.

"Elkington and Fife has an ethos of using technology to fund technology and we are planning on investing in a document management system – which will help the firm become considerably more efficient and GDPR compliant in the future."

"Our project with EzeScan is also getting people ready for DMS technology by getting them used to a paper-light system, where filing is faster, documents are more accessible and collaboration is easier."

FASTER FILES

Henry says that while a DMS could make the firm more efficient, the firm's processes have already been

**LPM FIRM FACTS****Elkington and Fife****Revenue: £11m****Corporate status: LLP****32 fee earners, 78 total staff****Offices: London, Sevenoaks****ABOUT THE SPONSOR**

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streamlined by its digital filing system. The practice now uses a Kodak i3250 – selected for its quietness and ease of use – to scan documents, which are then registered in the back end of the firm's CMS.

"The scanner, leased to us by EzeScan, produces a superior image quality of document even when the quality of the original is poor. It also uses optical character recognition technology to register every word in the document. So, not only is it easy to get hold of documents but to search them as well." She adds that, as such, fee earners find it much easier to find the relevant files when needed.

The process of filing documents has also been improved. Henry says that categorising and storing physical files was a time-consuming task that could have been simpler.

"We digitally converted our internal reference numbers into barcodes, which enables the scanner to save it straight into the file we need – little input is needed."

But perhaps the key productivity benefit the firm has reaped from this technology,

says Henry, is that it enables staff to work remotely.

"The library is accessible from anywhere with an internet connection and it's enabled our fee earners and consultants to work much more flexibly – whether because it saves them carrying enormous files around with them to see clients, or if they need to work from home or even on holiday."

And these process improvements make the firm's service considerably more competitive. Henry says: "It takes a lot of chargeable time to wait for physical files to come out of storage or to be reviewed or simply to search for the right file. This system saves us an enormous amount of time and effort, which translates into a higher-quality service – which, in turn, benefits the client by helping make their business more competitive."

Providing a high-quality service is enormously important for firms looking to deliver competitive advantage to clients – and creating a paper-light digital filing system is an easy win for firms looking to save money and drive efficiencies. **LPM**

APPLES AND LAW FIRMS

Kate Briscoe, CEO and cofounder at JustBeagle, on how comparison sites are becoming integral to the legal sector and helping SME firms become more competitive and drive business

Comparison websites have had an enormous impact on the way we shop and consequently, on the competitiveness of certain industries. In the insurance sector, for example, websites such as Compare the Market have enabled savvy consumers to hunt down the best deals (sometimes with the promise of a stuffed African mongoose) and to rate and scrutinise their providers. Though similar comparison sites first appeared in the legal market around 2010, they have yet to make the same splash – to the relief of some legal leaders.

But Kate Briscoe, CEO of legal comparison website JustBeagle, says that, while the sector hasn't arrived at the 'comparison party', that doesn't mean it's not coming – it's just fashionably late.

"The hopes or expectations of some that legal won't eventually become a 'comparable industry' are fading – it's inevitable. Legal consumers increasingly expect greater transparency from law firms and as such, are turning to comparison sites."

But, she adds, the rise of legal comparison sites is a good thing for firms – since while they increase competition they also give businesses the ability to strengthen their online presence and bolster their brands, as well as providing an impetus for them to up their competitive game. Furthermore, such sites will also make it easier for firms to address the challenges of changing regulation.

"The Competition and Markets Authority is putting pressure on legal regulators to make firms publish their prices, and rightly so. The SRA has shown time and again that not enough people seek legal advice when they need it – often believing that it will be too expensive. If firms want to be more accessible to reluctant but potential consumers and drive business, they need to be more transparent and open online."

She adds that firms that don't address these challenges could suffer in the future – either through

non-compliance fines for not publishing prices or experiencing significant reputational damage.

CLEARER ADVANTAGE

Briscoe says that the rise of comparison sites will increase competition in legal as they did in other markets – that legal leaders should embrace this change rather than fear it by using these sites as drivers for change in their businesses, particularly around pricing.

"Law firms have traditionally priced services based on the seniority of the partner providing advice and the amount of time it takes to complete – so no one knows how much the services will be or how much it actually costs the business to produce.

"That needs to change. Firms need to get better at using data to price services to offer fixed fees where they can and offer services at a more competitive cost – and if their prices can be compared to those of other firms, managers will have the leverage they need to drive that change."

And, she adds, comparison sites can help amplify the competitive advantages of fixed fees by making them more visible to potential clients.

"Firms can sign up to sites such as ours to help promote their digital content, but that also bolsters their fixed-fee offerings. If a firm signs up for any package, local or national, their fixed-fee products are shown against all other products nationally. This is particularly useful for specialised firms offering niche services, which might be sought nationally."

But firms aren't just encouraged to better their pricing because of comparison sites, says Briscoe – they're also compelled to improve the client experience.

"Fostering the client experience has been a weak point for firms, many of which were established for the benefit of lawyers in a seller's market. But clients' ability to rate firms on comparison sites provides a



“ On comparisons sites, content is much more visible and firms have a lot of options in what they can share. ”

competitive impetus to improve firms' service, since they will be judged on how well they've done in the past – and clients are more influenced by past ratings than by price.”

She adds that comparison sites also act as a forum for consumers to comment on the quality of legal services, and firms can use this to better communicate with clients, whether to address a complaint or to show gratitude for a compliment, and to inform their client service development.

COMPARE THE MARKETING

Briscoe says legal comparison websites offer firms direct competitive benefits as well as encouraging best practice – as they can be used as an effective digital marketing tool.

“Firms are beginning to realise that digital content is an extremely effective means of driving business. The problem is that it tends to get hidden away on their websites or lost in a barrage of social media posts. Also, there are a number of law firms who are still dipping a toe into their digital presence. On comparison sites, content is amplified and much more visible. Firms have a lot of options in terms of the

content they can share.”

She adds that, for example, all registered firms are listed on JustBeagle but those that subscribe can post blogs, photos, staff profiles and service profiles, as well as articles on awards won, cases won and such – all of which become more visible on search engines since the site is viewed nationally.

“All of this gives customers a sense of what the firm is really about in an accessible and digestible form that helps build SEO naturally.”

Briscoe adds that JustBeagle also offers firms a unique opportunity to engage with potential clients through online pro-bono work which is fully branded.

“Some firms, particularly those with a focus on legal aid, run free clinics and our site lets lawyers do that remotely under their firm's brand – giving them a chance to do something good but also to position themselves in the market at the same time.”

While comparison sites have yet to gain a significant footing in the legal industry, they are becoming more popular with consumers and can offer considerable competitive benefits to firms, and drive them to best practice. **LPM**

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PROJECT, DON'T RUN AWAY



Paul Smith, senior risk management consultant at Travelers, sets out the risks of process failure in legal work and how project management can prevent it

Process failure has long been a major driver of solicitors' claims. In the past six years, around 40% of claims against our solicitor insureds have involved missing steps in procedures and time limits, or simply failing to follow clear instructions.

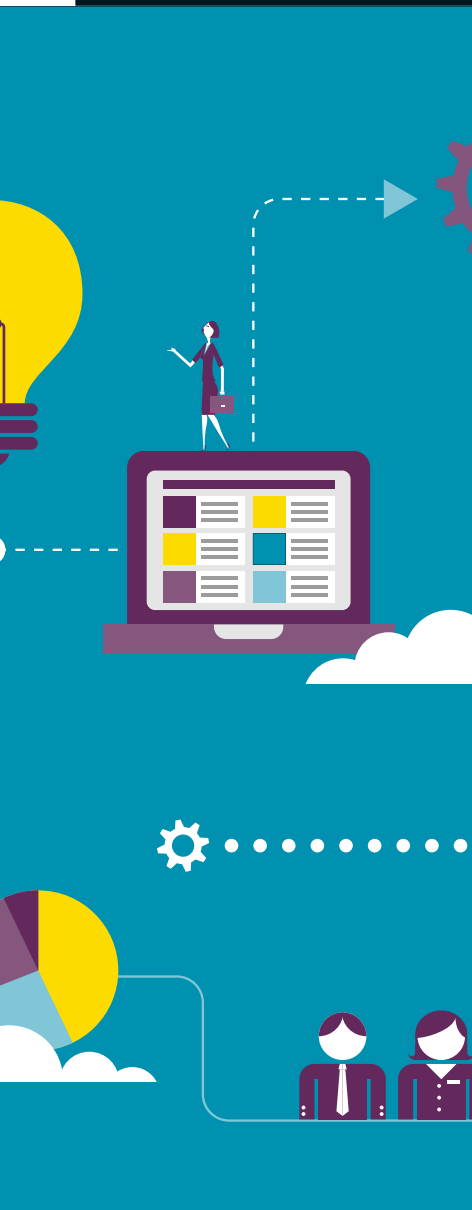
Our experience isn't unique – around 55% of complaints to the Legal Ombudsman in 2016/17 concerned delays or failure to follow instructions, keep the client informed or reply to correspondence. And, like professional negligence claims, service complaints can be both expensive and time-consuming to resolve.

But process failure is a problem for other industries as well. American surgeon and writer on error Atul Gawande said in his book *The Checklist Manifesto*: "Avoidable failures are common and persistent, not to

mention demoralising and frustrating across many fields from medicine to finance and business." He added that the reason for failure was increasingly evident: it's when the volume and complexity of what we know has exceeded our ability to deliver its benefits correctly, safely, or reliably.

There is plenty of volume and complexity in legal services, and processes with all-or-nothing characteristics. Despite this, our data shows that legal advice failure generates just 13% of claims.

This may seem counter-intuitive – is following procedural steps, observing time limits or communicating effectively with clients really more challenging than giving the right legal advice? Perhaps this difference is down to a lawyer's training being focused on legal analysis, or a culture within firms where being a lawyer is more about getting the



law right and less about service delivery.

Whatever the reason, if solicitors can manage the risks in giving legal advice, then there is potential to manage other risks, such as those avoidable errors identified by Gawande. So how do others process risk?

PROCESS PLAN

Project management has its roots in construction, evidenced in the building of the pyramids – but today it's used across many sectors and defined by the Project Management Institute as a temporary endeavour to create a unique product, service or result.

Project management involves managing all of the factors which will affect delivering a project on time, to budget and to specification, and requires a two-part project plan. The first part is planning and design: setting out the purpose of the project, who will do what by when, the scope and budget of the project and how changes in scope/budget will be addressed. It also spells out any assumptions being made by solicitors and clients, any unknowns to be addressed and whether action is dependent on prior steps being taken.

Then, there's monitoring and controlling progress: tracking issues which can affect the project, identifying risks and their controls, an ongoing cost-benefit analysis, and ensuring that any changes to the project are identified and justified. Schedules, usually in the form of a Gantt chart, show timing, steps in the process and dependencies, while the budget sets out likely expenditure and provides an analysis of how various contingencies in the development of the matter may affect the final bill. Finally, a communications protocol sets out methods and frequency of contact, who contacts whom, and provides a feedback structure.

PROJECTED BENEFITS

There are numerous advantages to approaching projects in this manner. You have a clear retainer, since the planning and design phase of the project involves you getting to grips with a matter from the outset. You learn what the purpose of this

project is, as well as who the client is, and what people's assumptions are. And, of course, greater certainty reduces risk.

Progress is also tracked, since project management is dynamic and the issue logs and cost-benefit analysis will prompt regular monitoring of the work. The scheduling tool will reduce the potential for delay and missed time limits.

The risk and control log provides a regular opportunity to review the risk profile of a matter and develops enhanced risk awareness. This can assist assessments around merits of a claim, potential quantum and costs and the cost-benefit analysis. This links to the benefit of transparent financing with a budget, which reduces the chance of an unexpected bill that has the potential to escalate into a service dispute or claim.

All of this helps raise risk awareness. Legal work is project work and all projects are subject to control risks, such as shifts in time, cost and specification. Project managers expect these shifts to occur, and if lawyers adopt that mindset and frame their retainers as projects, they will be better placed to manage – whether that involves managing shifts in the client's aims, unexpected additional work, or changes in budget. Failure could mean worse outcomes at greater cost than the client expected and the lawyer unwittingly taking on more work and risk for the same fee.

Managing scope also helps to meet client expectations. Clients expect lawyers to get the law right. Our research and external surveys suggest that clients place greater importance on a clear understanding of their needs, efficiency, sticking to a timetable, being kept informed and clear fee information – and all of these are covered off by running the work as a project.

Solicitors have traditionally equated good service with providing good legal analysis. But evidence suggests that clients take a wider view of service, meaning the right advice delivered in the right way. In an ever-competitive market, adopting project management may be a way to meet those expectations, and keep your clients and insurers happy. **LPM**

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TRAVELERS 

A VERY RISK RUN



Janine Parker, head of UK professions at Paragon, sets out what firms can expect from the PII market in 2018 – and how to prepare

It's hard to believe that yet another renewal season is approaching when it seems we've only just dealt with one in October – although this should be considered the norm now since the common renewal date for the profession was removed.

What can we expect from the professional indemnity market in April 2018 and looking to October? Should we be prepared for a hard, or at the very least hardening, market? How can a practice best prepare to navigate any potential challenges? Could this be an opportunity to improve the position of your business in the long term?

With the uncertainty of Brexit, which has created a political landscape that is perhaps more polarised than for the past several generations, interest rates and inflation showing the first signs of movement and several high-profile businesses being close to financial meltdown, the economic environment is not one that encourages overwhelming confidence. For the insurance industry broadly, this translates to less availability of capital, which existed in abundance for the past ten years. When there is less supply of capital, the cost of obtaining it tends to increase.

The cost of reinsurance in the market place could be starting to rise, and sooner or later this will have a knock-on effect to the end customer. Add in the fact that the relatively benign claims environment for solicitors appears to be ending and we must question when, rather than whether, we will start to see rate increases.

Encouragingly for firms, there were three new carriers that had a strong appetite to underwrite new business in October 2017. It's likely that these insurers will still be offering competitive terms to build up their portfolios in April 2018. However, if the market trends

continue, this may not last as far as October 2018. In addition, insurers and capital providers who have underwritten solicitors' professional indemnity insurance over the longer term are likely to be prepared for any volatile market conditions.

We can perhaps expect a levelling of rates with possibly some minor rate reductions in April, likely to be caused by competition from those new entrant insurers. There will still be opportunities for well-run practices seeking to use the market to their advantage. But we may see fewer 18-month policies being offered, as insurers may be reluctant to reduce their ability to adjust rates should the market harden significantly over the next six months.

October 2018 is harder to predict but it is not unreasonable to suggest that rate reductions at this point may well come to a stop. Given that the solicitors' excess layer market started to increase (harden) its rates in 2017, is it unreasonable to assume that the more exposed primary market will also adopt this approach? Three insurers have withdrawn from writing professional indemnity over the course of the past year, which could be a warning sign of what is to come. Less capacity will lead to higher prices.

How can a practice navigate these market conditions and continue to ensure its professional indemnity insurance remains affordable? At this point we can consider all the well-documented measures – such as maintaining a good claims record, ensuring your risk management procedures are current and being adhered to, and remaining vigilant to the threat of cyber and data criminals – but if the market hardens to a point where the listed measures cease to affect a reduction in your rate or premium, what other options are available to you?





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Transparency is currently a buzzword across all professions, and certainly with the SRA – this is also true of the insurance industry. Fully utilising your own market research and the expertise of insurance brokers to completely understand the mechanics behind the solicitors' professional indemnity market could present opportunities for cost savings and access to better products and services. Understand which markets your broker has access to – not every broker has access to every insurer.

Furthermore, understand which insurers your broker can access directly and not via another broker. Be aware there is a vast difference between the phrase "access to" and "direct access to". Situations have arisen where as many as three and even four brokers have been in the chain between a firm and the end insurer. Each of those brokers will be remunerated when your firm need only pay for one. In this scenario, you have to question the need for paying additional commission for superfluous

brokers in the chain, particularly if the insurer is trying to increase its rates. In addition, underwriters are now questioning why there are so many brokers involved, particularly when it can affect the flow of information.

If rates harden, you may use this as an opportunity to not only fully assess the market but compare the different products for solicitors that are available. The minimum terms of the SRA are standardised, but many brokers and insurers work hard to further their offering with additional risk and business services. Some of these services are even paid for by your insurer and can not only improve your claims performance but help your firm reduce costs in other areas outside of insurance. All of this assists with increasing your profitability and is something that should be explored with your broker.

It is impossible to know exactly what to expect in both April and October, but the economy has always been cyclical, and sooner or later we will all face challenges – let's prepare as best we can. **LPM**



Day in the life

NICK FAIRWEATHER CEO, FAIRWEATHER SOLICITORS

The CEO at a south-east firm on his daily life of technology, marketing and table tennis



7am

My mornings are generally quite frantic. I tend to miss breakfast and grab a coffee before I head off – since sitting down for a meal in the morning is a bit of a rigmarole. Once I've got showered and dressed and have had some caffeine, I drive my kids to their school in Canterbury and make my way to the office – about a 10 to 15-minute drive away. There aren't usually any traffic jams so the commute isn't bad, and I'm often conscious of how lucky I am to live so close to my work.



9am

The first thing I do, before I even turn on my computer, is check the DX box and ensure all mail is distributed to fee earners. If any issues arise from that correspondence, as they sometimes do, I can take five or 10 minutes to talk to the fee earner about it. Then I have a management meeting to discuss financing, planning, cashflow projections and whether fee earners are bringing in their monthly income projections.



11am

Later I attend several meetings with legal software suppliers to grill them about the quality and

price of their solutions since our IT systems are up for renewal. Tech plays a huge part in making our firm competitive – such as by giving fee earners the ability to work remotely – so it's important that we have the best solutions.



1pm

I break for lunch. Our office is in a business park, which has recently undergone some development and opened a Marks and Spencers. I'll either go to one of those shops, bring something from home or pop in the car and drive into Canterbury. Either way, I think it's important to stop for a break to clear your head and get away from the PC, even if it's only for half an hour – I'm not like lots of macho lawyers who work through lunch.



2pm

In the afternoon I focus on the firm's marketing and catch up with our external consultant on our various projects. He's responsible for our Google pay-per-click campaign/s, which forms part of our digital strategy to attract medical negligence inquiries and helps us ultimately determine our conversion rate. We've also very excitingly created our first in-house promotional video, which has gone on our website, on Facebook and YouTube.



4pm

A key focus for me is our in-house training since the training regulations changed to a more bespoke system. So, before the end of the day I spend time working with barristers chamber Cloisters to develop some joint in-house training sessions. Our plan is to have four of their barristers come down to do some training on higher-value cases – which will hopefully provide good technical knowledge and how to approach cases and work together.



6pm

After the working day I spend time preparing case examples to present on our website. I often appear on local TV and radio to discuss cases as the firm's head of medical neg.



7pm

But I really start to relax when I play table tennis in the evening. It's something I've kept going since my youth club days, and I play once a week for the Whitstable Natives table tennis club. Some people think it's a bit strange but I really enjoy it – though I quite often end up playing people who are much younger or older than me yet a lot better at the sport. [LPM](#)

“ I play once a week for the Whitstable Natives table tennis club. Some people think it's a bit strange but I really enjoy it. ”



ALL ABOUT

Nick Fairweather

Lives in Canterbury

Works in Whitstable

Likes Chelsea FC

Dislikes his teenagers' obsession with phones