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COLUMN

*Chris Mullen at Arc Pensions
Law on the strengths of a
specialist firm*

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*The competitive tides are rising – how are SME law firms
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About us



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The big news of the month? LPM is going digital! From our next issue (September) onwards LPM will be getting a new look and a fresh new start as we enter the world of the future. What does this mean for you LPMers? Our website will get a slight face lift and more content will be published directly online at www.lpmmag.co.uk. This means bringing news and insights to you faster – including all new case studies and special resources new sections. And the digital LPM pdf will now be sent to you 12 months a year instead of 10! SME law firms have been becoming increasingly paper-light and it's now time for LPM to follow suit. Don't worry, if you like LPM's print edition, our pdf will remain print-friendly should you want that physical touch. Watch this space for more updates about LPM's digital journey and thanks so much for your continued support as we start the next leg of this adventure!

In this issue: read up on how recent changes to Solicitors Regulation Authority rules has impacted SME law firms – especially as competition from NewLaw comes knocking on your door (p14).

Wonder what it's like to be a law firm in Scotland? Get the inside view about your peers north of the border on p25.

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COLUMNS

05 Chris Mullen at **Arc Pensions Law** on the strengths of a specialist firm

07 Scott Brown at **Accesspoint** on how to bring your brand to the forefront

09 Kate Arnott at **MHA** on what law firms need to know about the impact of Covid-19 on accounts and tax

11 Nick Hayne at **Quiss** discusses what firms need to know about cybersecurity in the legal sector

FEATURES

14 Feature: How are SME law firms responding to regulatory and competitive pressures? **Kayli Olson** reports

25 Region Focus: What does it take to be a successful SME law firm in Scotland? **Kayli Olson** reports

INDUSTRY VIEWS

28 Nicola Anthony at **Miller Insurance** on compliance and insurance in a new digital world

32 Emma Cummins at **Paris Smith** says **Bundledocs** helps the firm be more efficient and drives good client service

34 Kirsten Maslen at **Thomson Reuters** reviews the competitive landscape and trends in use of technology for SME law firms

REAR VIEW

36 Data story: What stops high potential junior lawyers from becoming high achievers?

19
SUPPLEMENT
INSIDE:
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POSSIBILITY





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SPECIALIST VIEWS

Chris Mullen, managing partner at Arc Pensions Law, says if a full-service firm is a super-tanker, a specialist firm is a speedboat – it's fast and agile when it comes to adapting to change

The house of law has many rooms. Among law firms themselves, there's every category imaginable, from the magic circle and major international firm, down to the smallest virtual, one-partner shop – and everything in between. Yet there's one category that receives little attention, despite its growing importance. That is the specialist law firm, sometimes called boutique. As the co-founder of Arc Pensions Law, a specialist pensions law firm now celebrating our fifth anniversary and two-time winner of the British Legal Awards' Boutique law firm of the year, I'm surprised. I'm surprised by the lack of attention to this segment of the UK law firm market and more surprised by why more specialist lawyers don't consider setting up or joining such a firm, given their many advantages to the traditional one stop shop.

When Anna Rogers, former head of Mayer Brown's pensions department, and I, former head of Pinsent Masons' pensions team and latterly the international firm's senior partner for nearly 10 years, first conceived of Arc Pensions Law, the reasons for establishing a new, dedicated pensions law firm seemed incredibly strong.

1 Specialising gives us the ability to focus wholly and exclusively on a single market and dedicate all our efforts to servicing the clients in that market. My previous firm, like many large firms, then operated across 10 sectors, eight jurisdictions and multiple service lines (so many, in fact, that different practice areas had to be consolidated into large, rather meaningless 'conglomerates' for management purposes). Developing a coherent, focused strategy was all but impossible, given the complexity. What a relief, at Arc, to be able to really understand our market and get deep into the detail of how best to service our clients' needs.

2 It also give us simplicity of our operation and the agility that comes with that. Rapid decision-making, short chains of command and most of our operational requirements outsourced. Even with two 'real' offices, one in London and one in Leeds, it's still true that, five years on, our longest contractual commitment is the lease for our photocopiers! Much of our operation can be expanded or scaled back very rapidly, according to need. That's an attribute that has come into its own in this current Pandemic. Adjusting to rapidly



Specialising gives us the ability to focus wholly and exclusively on a single market and dedicate all our efforts to servicing the clients in that market

fluctuating demand is no longer like trying to turn a super-tanker, but more like pointing a speedboat on a new heading.

3 It's an unexpected pleasure to work alongside people who really understand what we're trying to achieve and the clients we are working for. With the exception of our three marvellous PAs, we're all pensions lawyers. A firm run by pensions lawyers, staffed by pensions lawyers, serving pensions clients. Communication is easy, understanding comes rapidly. The joys of having everyone pulling in the same direction. All our eight partners joined from major City or international law firms, and none regrets the move. As many specialist lawyers will attest, working in large, multi-disciplinary firms, you can feel an awful long way away from management's thinking, when they seem primarily focused on pursuing international mergers or adding as many countries as they can to their roster of overseas offices. How many specialist partners can honestly say their management team has a deep understanding of what they do?

So, long live the specialist law firm. With around twenty people at Arc, we may be small, but we pride ourselves on being able to service our clients' needs as well, if not better, than firms fifty times our size. Dedication to a market we understand well, a coherent and clear strategy and unity around that strategy – that's the holy trinity of successful law firm management. It's no surprise this sub-sector is growing fast and now boasts market leading firms across many specialist areas – IP, tech, employment, private client, tax, planning, litigation, environmental, insurance – the list is long. To me, the only surprise is that more experienced, specialist partners don't quit their larger multi-disciplinary firms to find greater fulfilment and a more enjoyable life, in a specialist law firm instead. **LPM**



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Introducing an effective intranet portal is a great way to ensure all of the team is able to get on board with any branding strategies from the start

Brand awareness

SCOTT BROWN, THE MEDIA MASTER

New opportunities as well as challenges have arisen in recent months, specifically from the new advertising rule that prohibits solicitors from making unsolicited approaches to members of the public. We now find ourselves asking SME firms: Are your current marketing tools enough to stand out from the competition and what could you be doing?

Branding your firm is a form of advertising in itself and is the best place to start. But many firms think that creating a catchy slogan and delivering a good service is all it takes to have a memorable brand and as a result fail to stand out from larger competitors. Think about where you want your firm to be and now ask yourself, are you on the right course to achieve it? Identifying your firm's current position and matching it with what your agreed vision is may be hard, so don't be afraid to get help from an external source.

Remember, addressing all of your brand touchpoints along with exploring what you want your customers to see is only half of the battle, your branding must also be communicated and adopted within your firm to be completely effective. Introducing an effective intranet portal is a great way to ensure all of the team is able to get on board with any branding strategies from the start as they can stay up to date with company updates and more. This will quickly become the best way to achieve consistency throughout the firm and in turn the service given to clients – a satisfied client is more likely to spread the word of your firm, resulting in free advertising.

With all that considered, it's fair to say that many firms may have adequate branding in place but miss the trick of using their website as a very low-cost advertising tool. With most offices closed in the UK it's more important than ever to focus on your firm's online presence. Having an outdated website that provides the bare minimum to prospects and clients will simply not suffice.

As well as updating the overall layout of your

website to appeal to your audience, think about how much more effective it will be to have integrations that allow your site to have a more joined-up approach to your workflow, as well as attract a wealth of new clients.

Injecting accurate and meaningful data straight into your PMS is certainly not far-fetched as we have seen many websites use webforms to collect valuable client information and enquiries. With this approach the possibilities could be endless, once it's in your PMS it can automatically validate the enquiry against existing entities and create a prospect, while simultaneously notifying the nominated fee earners of the new enquiry. This process guarantees that your firm will never miss an opportunity again.

Another sure way to gain a competitive advantage is by finding a way to leverage your website's back office, to allow you to identify which marketing channels are providing quality leads and providing a positive return on investment and those that aren't. The results can then be captured within your PMS. All of this could ensure your website is streamlined and data driven, and enables your firm to act faster and smarter.

Also, focus on creating detailed SEO strategies that suit your firm's requirements as well as the needs of your audience, as keywords are constantly changing. Maintaining the SEO on your website frequently is important to staying as the top results. Over a short period of time, you'll begin to see the improvements – being able to connect with visitors who are looking for your services and eventually seeing an increase in the number of enquiries made, plus more knowledgeable insights to your target audience.

The legal market is more than equipped to deal with regulations that put certain methods of advertising to a halt. With more legal marketing specialists developing new ways to ensure firms can reach their clients, the only thing left for your firm to do is explore the many options available to you. **LPM**

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Time for a change?

KATE ARNOTT, THE NUMBER CRUNCHER

One of the defining aspects of the Covid-19 crisis has been the speed with which the economy moved from apparent health to seizure in many sectors, on both the supply and demand side. The actions of the UK government supporting business and employment appears to have been met with general support – however, it would seem clear that the financial performance of many professional practices will be significantly impacted.

Adverse shifts in profitability have always been an indicator as to whether a business should consider changing its accounting date and this applies to professional practices, whether they operate as a partnership/LLP or through a limited company, especially as many use 31 December, 31 March and 30 April year ends, where the last set of accounts may not show the impact of Covid-19 on the firm's profitability.

The tax consequences of changing accounting date are very different depending on the structure: income tax rules relating to changes in accounting date are much more nuanced than the relatively mechanical rules that apply for corporation tax purposes. However, there are potential opportunities, particularly where profitability in the period since lockdown on 23 March 2020 has been severely impacted.

It's widely expected that the UK will enter a deep recession and much interest will focus on the shape of the eventual recovery: will any recession be V, U or L-shaped? This might well mean the consideration of changing accounting



The tax consequences of changing accounting date are very different depending upon the structure

date becomes a matter of ongoing review over forthcoming months rather than an immediate decision.

The impact on the Accountants Report in the case of changes to the year-end date will also need to be considered, as the year or period end for when it needs to be prepared may not be the same as the statutory one. If the statutory year end changes, it does not mean that the period for reporting on client money needs to, although the flexibility exists if required.

Of course, the devil is always in the detail and we have set out the various options for changing the accounting year end and the impact of doing so in a guide available on our [website](#). Each practice will encounter its own experience of the impact of Covid-19 and our guide is intended to illustrate some of the principles by reference to which tax may be mitigated by selecting an alternative accounting reference date. As noted, we're currently in a set of circumstances where this is something to be monitored, rather than, in most cases, immediate decisions made. **LPM**

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... this story again raised the spectre that perhaps there are still issues and it's only a matter of time until each law firm is hit



Cyber strength

NICK HAYNE, THE DATA MASTER

Every now and then a high-profile case occurs that changes perceptions. In May of this year, specialist entertainment law firm Grubman Shire Meiselas & Sacks became that case when it was hacked by professional cybercriminals.

When the £17m ransom went unpaid, the hackers released the first batch of stolen personal files of high-profile clients and threatened more would follow. Until this event, it was believed the legal sector had a good grasp of cybersecurity, having taken decisive action in the past, but this story again raised the spectre that perhaps there are still issues and it's only a matter of time until each law firm is hit.

Numbers do not lie. A 2019 report into the threat from cybercrime faced by the UK's top 200 law firms, revealed that 91% of firms risked their website address being spoofed and used to send spam, phishing and fraudulent emails.

Firms were running email or web servers with vulnerabilities that hackers could exploit and using out-of-date software no longer supported by the developer, while others had expired security certificates that prevented clients connecting securely to their website.

As a whole, the legal sector is one of the most advanced and proactive with regard to the strength of its cybersecurity responses and is seen to be performing well, given they are targeted on an almost daily basis.

Threats against law firms are high volume, multi-faceted and organised, with a growing

number of criminals using sophisticated tools and techniques, which – despite industry-leading efforts – is ensuring law firms continue to be compromised.

Law firms are specifically targeted because they hold sensitive corporate and personal data, along with large sums of client money if they have a busy conveyancing team. According to the SRA, in the first six months of 2019 law firms lost £731,250 of client money to cybercrime.

External threats will include:

- Stealing financial information
- Diversion of funds
- Extortion with and without ransomware
- Stealing personally identifiable information (PII)
- Stealing passwords

While ransomware and extortion attract the headlines, the most valuable information stolen is PII, because it offers criminals a long window of opportunity. You can change bank account or credit card numbers quickly, but stolen PII can be used to create fraudulent identities to take out mortgages, secure loans, buy cars and so on, adding to the immense reputational damage suffered by the law firm that fails to secure its data.

Law firms also have to consider the threat from within, malicious and foolish, which only adds to the headache for senior management teams already having to cope with smaller teams, while trying to attract new clients and increase profitability in dark economic conditions. **LPM**

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FEATURES INDEX

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14 FEATURE

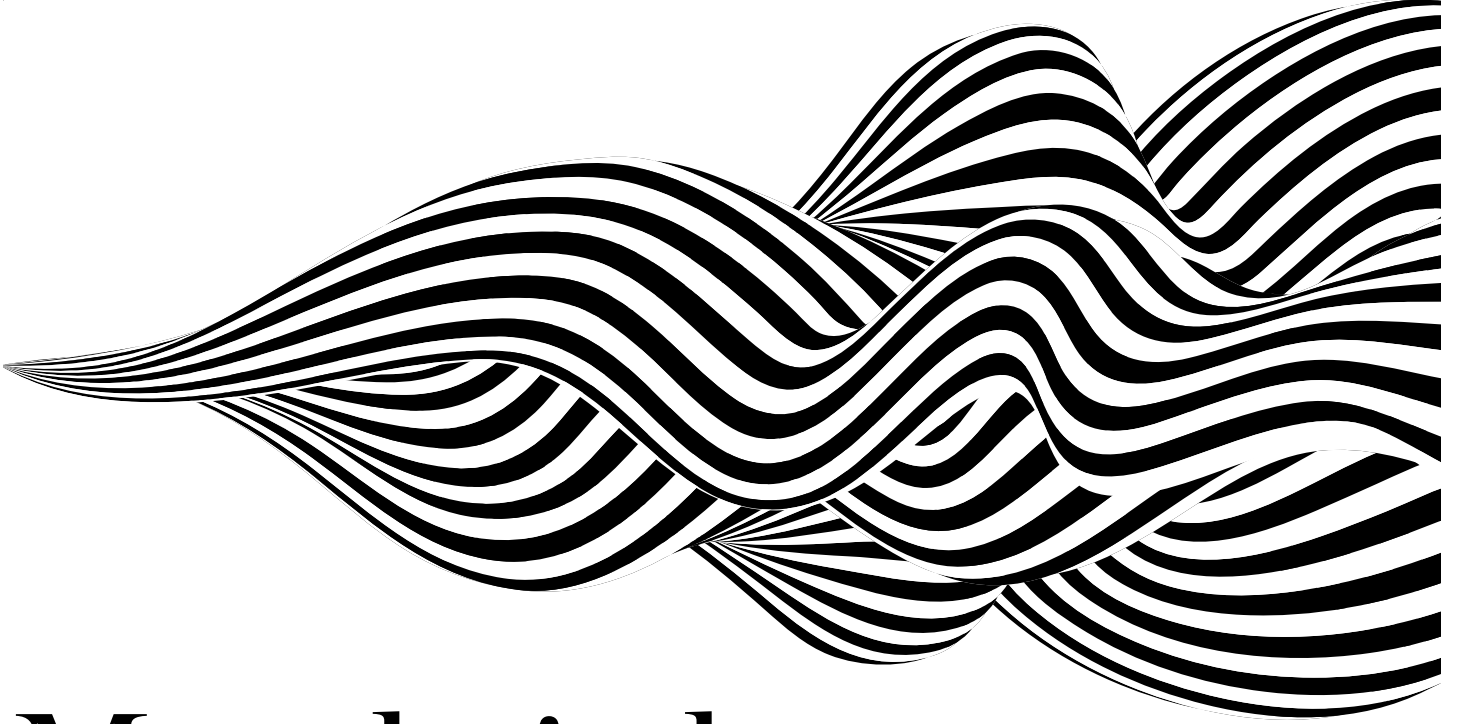
Meet the in-laws

How are SME law firms adapting to pressure from NewLaw and recent changes to regulations? Kayli Olson reports

25 REGION FOCUS

Scotland's yard

What does it mean to be a successful SME law firm in Scotland? Kayli Olson reports



Meet the in-laws

How have SME law firms met the challenges that the recent changes in regulation and disruption from NewLaw brings to their part of the legal sector? Kayli Olson reports

When LPM wrote about the emergence of alternative business structures (ABSs) and planned changes to the Solicitors Regulation Authority (SRA) handbook back in April 2017, and again in April 2018, SME law firms were hesitant to say whether they thought there would be any real change on the ground – as it is the nature of the legal sector to wait to react.

But that's all changed now ... or has it? The pandemic may be driving more firms to apply innovation to their practices, but how have recent changes in regulation altered SME law firm behaviours, if at all?

Sean Stuttaford, chief operating officer at Thompson Smith and Puxon (TSP), says the firm viewed the 2019 SRA changes as an opportunity to refresh how it deals with compliance. An important initial first step was to create a new role – head of client services – which incorporates all compliance activities and client service.

"Historically, compliance has run the risk of being a hurdle that staff felt they had to jump over. What we wanted them to realise was that, with the new rules, good compliance goes hand in hand with great client service. We felt that compliance should feel less like an additional admin task we have to do, and more like an integral part of the role of a modern lawyer – it's there to protect the client as well as the firm, after all."

He says the firm also took the opportunity to rewrite some of its procedures to better suit the firm and its clients, as well as to stay compliant with the new rules. "We're increasingly moving our compliance away from what can be viewed as a tick-box exercise."

Often, clients see the way that law firms react to complaints as defensive, Stuttaford says. "Instead of

listening to how a client may feel a firm has fallen short of expectations, there can be a temptation to hurry to explain why the firm was in the right. Where complaints are of a service nature, rather than a legal one, we believe we have gained an advantage by having a non-lawyer responsible for handling our complaints. This has been able to slightly alter the feel of those conversations in the early stages. We have found that clients seem more willing to share with us why they feel the way they do, and this helps us learn how we can do things better."

Stuttaford adds that the removal of the 14-day rule is an advantage, as it gives the firm more flexibility over what it can offer the client in terms of handling their monies, without breaching the rules.

ALTERNATIVE VIEWS

Of course, with the rules comes the promise of new competition. But the emergence of NewLaw firms, hybrid accountancy-law firms or even technology provider and law firm combos, have been steadily on the rise with the acceptance of ABS to the sector.

Stuttaford at TSP says the firm has not felt any direct threat from ABS law firms as yet, "but I'd be lying if I said they weren't on our radar."

"During our strategic reviews, we consider the pressure these newer-structure firms may bring in terms of their financial firepower – there are, of course, financial benefits that come with being an ABS rather than a traditional partnership and some become external investor funded. Also, speaking generally, they may be less constrained by tradition, so their willingness to use technology and other ways of operating, and governing, may give them a competitive edge."



The truth is, I purposely don't really look at what the other law firms do ... I don't want to be influenced by the traditional law firm model

Pete Byrne, founder and CEO, ESPHR

ESPHR – a hybrid employment law firm and employee relations (ER) software company – started as an HR consultancy. Founder and CEO Pete Byrne says: “The truth is, I purposely don't really look at what the other law firms do – which is weird coming from my background in marketing, because one of the first things you learn there is to watch your competitors and market closely. I don't want to be influenced by the traditional law firm model.”

Byrne says the vision was always to provide a law firm quality of advice with law firm quality of staff. So when the ABS option came around, he jumped at it. ESPHR was one of the first firms to go through the ABS process.

“The territory that comes with being a regulated law firm is that there's an expectation and standard by which we do business. It has no doubt helped us in our journey to penetrate the mid and larger corporate markets and support in-house HR and legal teams with a completely fresh and innovative employment law advisory service.

“That would have been much more difficult if we were talking to those people as a non-legally-regulated consultancy. Companies that work outside the legal regulations will tell you of how little importance it is – but I know from talking to HR executives just how much importance they place on that positioning.”

NM Group also leverages its ABS status to expand its offering – starting in wealth management, it now brings together six companies comprising: recruitment, care homes, real estate development and legal. Right now, Kingly Solicitors works with the group as a standalone company, but the aim is for it to be fully integrated in the group structure.

Founder and managing director Nurul Miah says: “Because we're an ABS we can easily acquire companies into the group. We want to promote a cooperative business model where everyone will benefit. Our ethos is to offer bonuses and newer ways of working, which are all made possible and more streamlined as a result of our ABS model.”

COMPETITIVE NATURE

TSP is a corporate partnership, as opposed to an LLP or traditional partnership. Stuttaford says the

firm benefits from the same level of protections and advantages as a limited company but can also maintain some of the pros of being a traditional partnership.

He says firms that adopt structures that are more corporate may find governance more effective. “There are pros and cons to both approaches but having a more corporate approach can create an advantage for firms that have historically struggled to move away from consensus-based decision-making. With a traditional partnership management board, the natural drive is to reach a consensus; there can be fear of friction and avoidance of making difficult choices – which is why it often falls to the lowest common denominator decision, which can often be to do nothing.”

Stuttaford says having even a slightly different structure means that the firm can make more difficult choices and have sensible performance and reward conversations with partners where more traditional partnerships might struggle to do the same.

TSP's executive committee is predominately in place for more long-term strategic thinking, he adds, rather than to run the business operationally. Stuttaford says law firms can often have great written plans – they just fail to execute them well. “I have a lot of respect, and sympathy, for law firm leaders who are undertaking client-facing fee-earning work and also managing aspects of a practice – the mindsets needed for those things are not readily compatible at all.”

Miah at NM Group adds: “I've found that many lawyers tend to manage a firm with their emotions and fail to look long term. Whereas we want more management information, constructive meetings and to be able to leverage MI data to make collective and informed decisions.

“Traditional law firms don't really do that, perhaps because of the perception that they're too small and don't feel it to be necessary. It may also be the case that larger firms think they're big enough not to carry out the exercise, as they think only partners need access to that information. Lawyers need to learn to share information, and that clients don't belong to them.”

LPM FIRM FACTS

ESP Law (part of ESPHR Group)

Revenue: £2m

Corporate status: Ltd (ABS)

8 fee earners, 15 total staff

Office: Woking

LPM FIRM FACTS

Kingly Solicitors (NM Group)

Revenue: £15m

Corporate status: Ltd (ABS)

62 fee earners, 175 total staff

Offices: 15

LPM FIRM FACTS

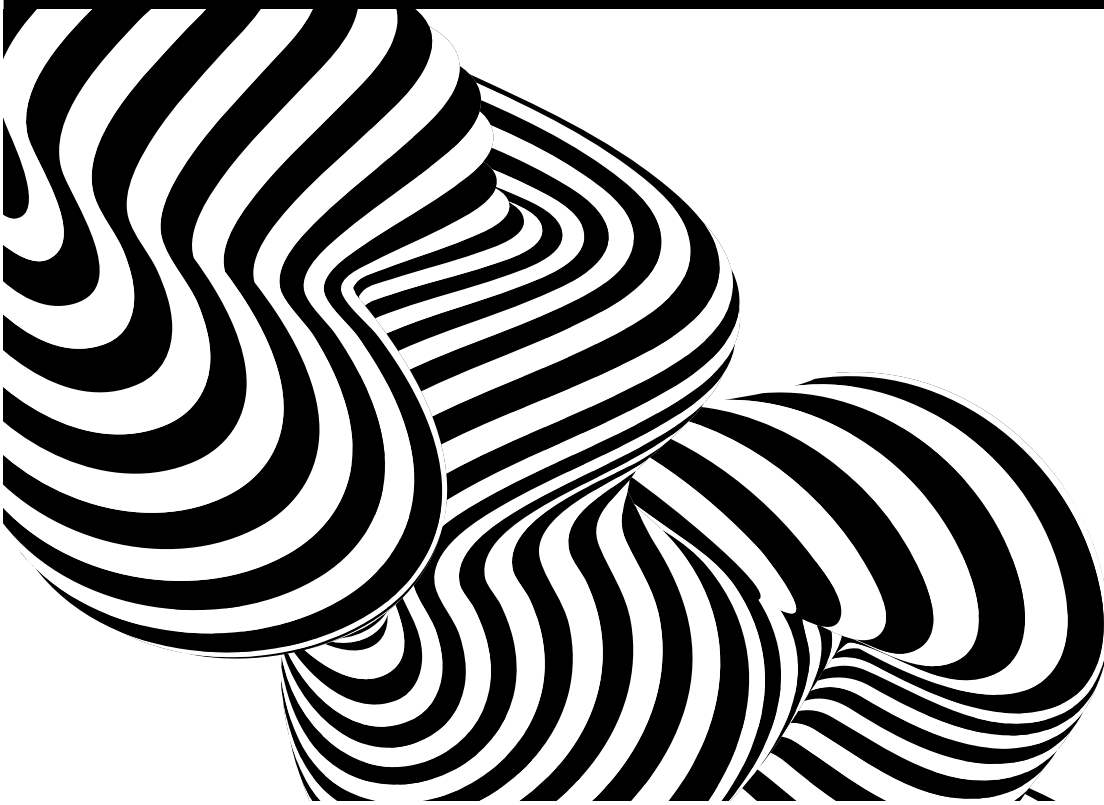
Thompson Smith and Puxon

Revenue: £5m

Corporate status: Corporate partnership

35 fee earners, 78 total staff

Offices: Colchester, Clacton



What's the advantage in having a one-stop shop firm these days? Client drift is something that the legal sector may see more of

Sean Stuttaford, chief operating officer,
Thompson Smith and Puxon

Stuttford at TSP agrees: "It's probably the greatest strength and greatest weakness of the legal sector – we have all of this untapped potential for cross-selling."

NM Group has a dedicated new business team that acts as a conduit between the lawyer and the external parties it refers to. The team tracks the process and reports back with MI data about how many cross-selling opportunities arise. This is plugged into Power BI, with different dashboards for each arm of the group, and Miah and the rest of his team can see the flow of business from one firm to another.

"We can create visual reports and present it to management to allow for informed decision-making. It can endorse our products or motivate lawyers to have an enhanced team-working atmosphere."

"From the client's point of view, they enjoy greater engagement with our team – and it enables a relationship to be built with the firm rather than just the lawyer. We strive to achieve loyalty to our brand," says Miah.

CLIENTS CHANGE

The new SRA rules and rise of ABS aren't the only things bringing the heat to the legal sector. The other key change is, of course, in client behaviour

– and not just in the digital way that we often hear about.

With more niche firms springing up, Stuttford asks: are clients going to start spreading their risk? "What's the advantage in having a one-stop shop firm these days? Client drift is something that the legal sector may see more of."

Byrne at ESPHR agrees: "The great thing about customers is that they don't tell you they're going to leave you – they just leave. There's an inevitability around change and how legal services are provided."

This is also echoed in the recent changes to SRA rules, and the ongoing journey to change the legal regulations in Scotland.

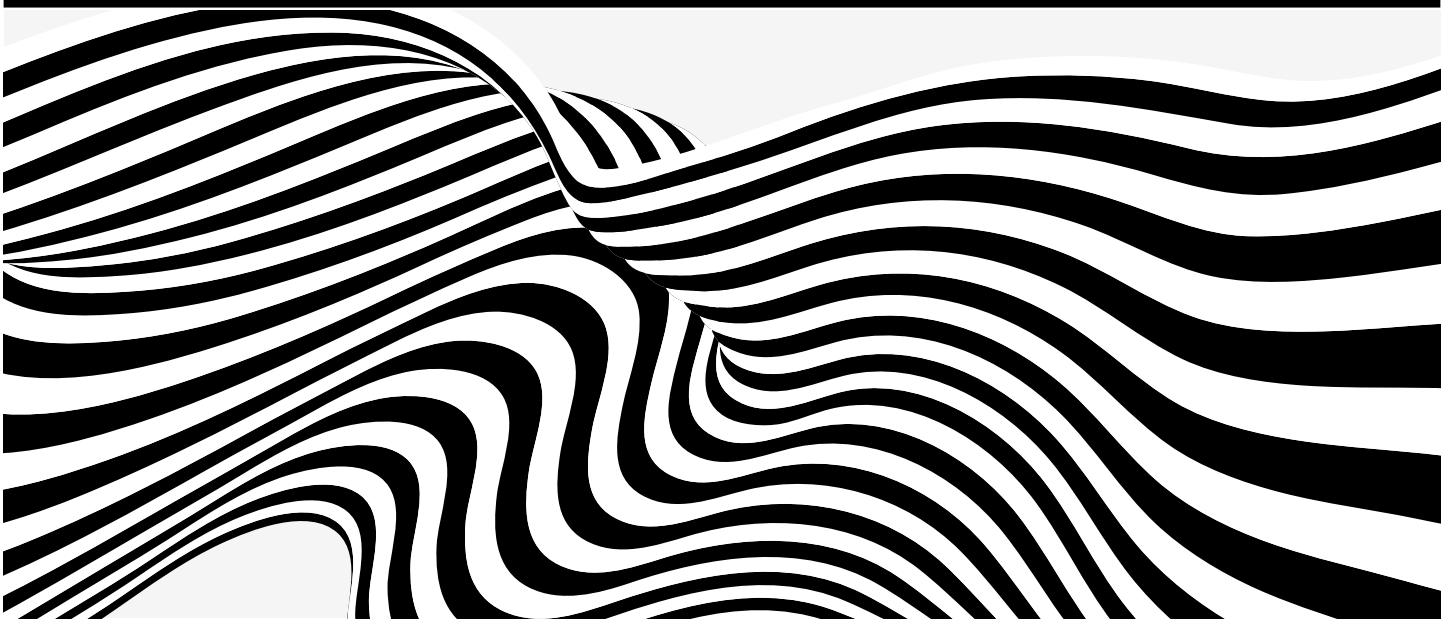
"The business-to-business sector of employment law is especially ripe for more innovation and accelerated change, more than perhaps other service lines," Byrne continues.

He says in some cases HR teams compartmentalise where they go for advice: "When it's highly strategic and complex, they'll turn to their law firm. But when it's basic or operational, they might go to a non-legally-regulated helpline provider or rely on online DIY support."

Byrne warns that, at least for his market, customers are distinguishing between the type of advice they're looking for and the type of provider they then go to – it's not stretching too far to say that might happen in other areas. Especially with the new SRA rules allowing for new competition to flourish.

Ultimately, it comes back down to brand and offering. Byrne says: "As with any business in any industry, you should have to have a strong corporate brand that really stands for something in the minds of your clients."

"Unsurprisingly, this can be a delicate balance in the legal sector, where lawyers' advice is promoted as the single key offering, and an individual brand is created. Your corporate brand has to stand for something to your customers and is then supported by your people – you cannot have an



individual-led product brand as a business that wants to stay competitive.”

A more recent change in the competitive landscape will be driven by the pandemic. Processes and services have slowly become more digital over the years but, as Stuttaford points out, more flexible ways of working don't just benefit the firm and its staff – it opens up a wider playing field. “We'll no longer be confined to competing with firms that are local. If we're meeting clients virtually, it does not matter where they are – nor where your staff are. We can now potentially recruit and engage with clients from further afield, because we know we can make it work.”

Funnily enough, 13% of respondents to LPM's Legal IT landscapes 2020 report listed 'online businesses that don't have physical offices' as being the biggest commercial threat to their firm over the next five years (placing it third behind 'firms like mine in our geographies' and 'bigger firms than mine'). Who would have thought that less than two months after the report was published those very firms would nearly become that very thing?

TECH HOME THE CHECKS

So, just how much more change should we expect? Miah at NM Group says if you look at industries like financial services, where he's from, they've been blessed with technology since the 90s. “Law firms haven't adopted technology at the same pace. Being an ABS allows people to think outside the box of legal and look at technology and how they can implement and adapt it.”

“Historically, innovations in tech and ways of working have moved from the US to the UK. There's a lot of development happening in the US with regard to artificial intelligence to review documents and amalgamate key facts quickly. It's happening in the UK, but not as readily, and certainly not as much in the SME space.”

That being said, law firm technology adoption is seeing an acceleration brought on by necessity created by the pandemic – certainly LPM has heard this sentiment over the last few months. Stuttaford at TSP reiterates: “Our adoption of and adaptation to technology has been almost instantaneous since going into lockdown. There would most likely have been resistance to virtual team and client meetings before we had to change the way we were interacting and engaging.



Being an ABS allows people to think outside the box of legal and look at technology and how they can implement and adapt it

Nurul Miah, managing director, NM Group

Anyone who favoured paper-based communication is now most likely to be working collaboratively with clients and colleagues online and screen sharing.

“But the big change for us, which we're hoping will benefit our clients and staff, is flexible working. The ability to work from anywhere, anytime, and the willingness of a firm to continue with a level of flexibility, has the potential to help all firms with recruitment and retention. It also means we can deliver a more flexible service to our clients, when they need it. Can businesses expect clients and customers now to only engage with us between 9am and 5pm when they also have work and other responsibilities in the day? Probably not.”

Another key behaviour, Miah adds, which is an advantage for the financial services sector, is that they receive money on a recurring basis, whereas the legal sector gets it on a transactional basis. “We're trying to create a link between us and the client on a long-term basis. And the way we do that is by offering products and services they will use continuously.”

Byrne agrees, and as such, ESPHR's business model offers alternative fee arrangements to its customers. “Subscription work is 80% of our business. Customers pay annually to access an array of hybrid legal and software services. And for the more project-type work, we bill on a pay-as-you-go basis under a slightly more traditional pricing model found in many traditional law firms.”

With more disruption set to happen in the legal market, firms must learn to adapt – not just to the ‘new normal’ post-pandemic, and not just to the new competitive landscape brought on by SRA new rules and ABS firms. If SME firms ever doubted whether they needed to innovate, these testing times are surely a wakeup call. **LPM**

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ENDLESS POSSIBILITY

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might think*



DEVELOPING SKILLS

LPM's webinar 'From surviving to thriving with Bernard Savage', supported by Quiss, looked at ways in which SME law firms could do better with their business development

For an SME law firm, business development can often fall by the wayside – fee earners struggle to put in the time and effort needed to truly see results. Bernard Savage, director at consultancy Tenandahalf, told webinar attendees that there are three key areas where SME law firms should focus their BD efforts.

"Law firms need to adopt a more professional and rigorous approach to staying in contact with people they already know. They need to learn to leverage content to become visible to prospective new clients. And finally, now is the time to really take LinkedIn more seriously than perhaps they've done before."

Here's a snapshot of the first point of the conversation: telephony.

PICK UP THE PHONE

"I know what you're thinking – telephony doesn't sound particularly innovative to me. It's been around for a long time. But this isn't about picking up your little black book and making your way through all of your contacts for a courtesy call."

These people are busy, he adds – you're likely to find them in periods of stress, especially as our world has been turned upside down because of the pandemic. They're working from home and might have young children or elderly parents to look after. They might not be working in the easiest of circumstances.

"For all of these reasons, you need to be quite considered and targeted in who you approach

and how you engage with them. Have a professional focus and structured approach to connecting with people."

Savage says the first step is to take a snapshot of the business – look at your case history over the last two years and identify around 10 individuals who have generated opportunities for you.

It might help to keep in mind the 80/20 rule, he says, which says that 80% of outputs (so opportunities, profit or business) comes from 20% of inputs (clients). It means that a relatively small number of individuals are generating those leads – so find them.

"Then, importantly, this is about you making a concerted effort to invest in those relationships in the months ahead. Winning business isn't about phoning people up for a chat and getting an instruction. Business development done properly is a process; it takes time, and it has to be a two-way thing, but that involves you first creating goodwill."

This doesn't mean do things for free, he stresses: "I've invested more in generating goodwill with existing contacts primarily because now is the time to create that goodwill."

"Generating goodwill involves being on their radar, connecting with them more than once and on different levels: over the phone, on LinkedIn. Maybe you're able to catch up at events or, more appropriately now, via webinars. You have to have a number of touch points with the contact; most opportunities don't happen overnight."

So, you've got your list; what's next? How do



I see it as a success if the person I'm in conversation with talks for 70% of the time. And when your main focus is getting an instruction it can be hard to bite your lip, because you want to get your point across

you approach them? You have to have a plan, he says.

"Start by defining what success looks like – it isn't always about instructions or referrals. I follow the ODE model: what is the optimal amount I want, the desired effect or outcome, and something essential. It could look like this: the optimal amount is to generate some positive conversation, the desire is to create leads and start follow-up conversations, and it's essential that I don't do anything to damage my reputation, and that of the business."

TALK THE TALK

From there it's about the structure of the conversation itself. Savage says this is where he draws upon his experience – but more specifically it's about learning from the mistakes he's made earlier in his career. "The biggest learning I've had is to not be too eager. It's not the best way to sell, and this isn't about me; it's about the client."

The best possible way that you can

promote your business is by being visible, getting in front of people and creating an environment where the person you're talking to feels sufficiently comfortable and opens up, he explains.

"I see it as a success if the person I'm in conversation with talks for 70% of the time. And when your main focus is getting an instruction it can be hard to bite your lip, because you want to get your point across."

"Creating trust and rapport is essential in a business environment and when people talk for that amount of time it means they like you; they're opening up."

Next, assuming that you're actively listening, he says, you're learning about that contact and you should be able to frame how you respond, which is more likely to be met with positivity. It goes back to the basics of know your client.

Finally, what does good follow-up look like? Savage says: "This is the area I think legal has the most opportunity to improve. Follow-up is about small steps that nudge the conversation forward. It's about agreeing the next meeting or action and delivering on those promises quickly."

He stresses that good follow-up is just about following through – worst case scenario, if you promised to send across a report or piece of content you thought that person would find intriguing and they don't, even though it may be disappointing, you've demonstrated that you do what you say you'll do and that'll keep the conversation alive.

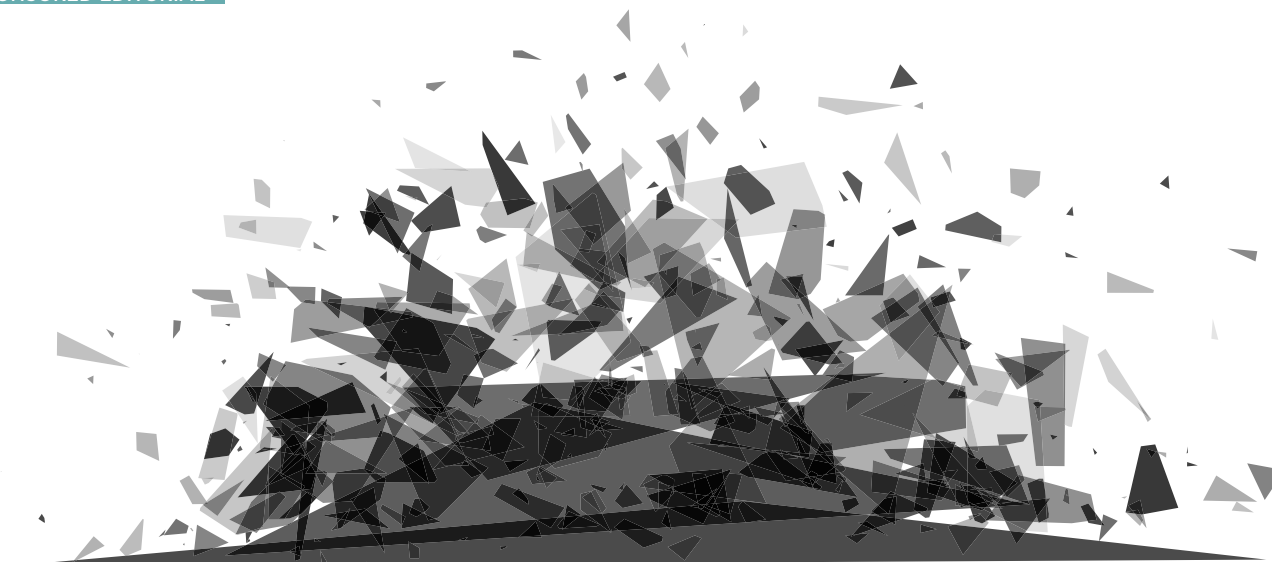
If you liked this, watch the full webinar here for Savage's advice about reusing content to showcase the firm's expertise, and how LinkedIn can produce leads and start conversations. **LPM**

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DIGITAL WINDOWS

Nick Hayne, director of professional services at Quiss, discusses the benefits of Windows Virtual Desktop in the new digital landscape

There may be a long way to go until we're finally clear of the shadow of Covid-19 and its far-reaching impact on normal business operations of almost every sector in the UK and beyond, but there is hope.

Few who experienced the global financial crisis of 2007 believe a long, severe recession is ahead and, if our recent unscientific poll of clients and partners is anything to go by, the future is brighter than many would have you believe.

Of those who responded, 86% were somewhat or very optimistic about the potential for their business post lockdown, with only 3% professing a pessimistic outlook.

This optimism may stem from the fact that many businesses were shown the future of remote working and they discovered that not only it was viable, but that it delivered a productivity boost – while engaging employees with the promise of a better work-life balance.

Businesses able to allow working from home discovered closer collaboration through Microsoft Teams was possible – with shared documents edited in real time, instant messaging and virtual whiteboards all helping to bring dispersed workforces together to get more done.

SPACE RACE

A greater balance between working from home and time in the office appeals to younger employees, who recognise the potential savings on offer, from commuting and cars to childcare and clothing. But management teams across the sectors recognise the many business benefits too.

The most appealing for many is the reduced

office space costs, followed closely by the development of happier, less-stressed teams, committed to the business. All of which is ensuring remote working becomes part of the new normal for any business that can implement it effectively.

Law firms will seek to innovate and develop improvements that not only improve profitability, but get them closer to their clients. And their clients' world is changing too. They need to be impressed by legal advisers that are smart, with enough ambition to thrive and support them for the future.

It has been suggested offices will become more a place for employees to meet occasionally for a catchup, to brainstorm specific issues and to socialise, rather than the location they work from, with even barristers' chambers in talks about downsizing their offices.

The belief remote working really could deliver productivity, with employees able to collaborate with colleagues and clients alike, was driven in part by an astonishing speed of development for Microsoft Teams, which introduced new features or upgrades every week of lockdown, it seemed.

REMOTE DESKS

The need to get people working remotely was quick – and for many law firms the quick solution was the best solution – but understanding that the future involves more remote working for everyone in a law firm ensures the time is right for Windows Virtual Desktop (WVD).

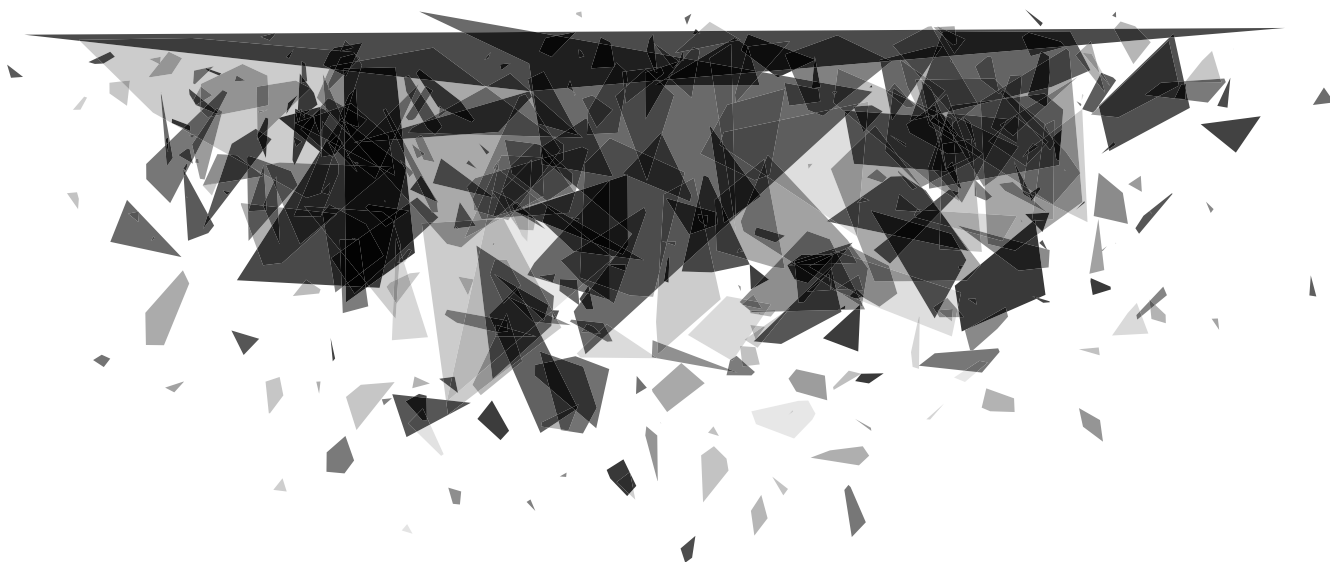
The recent release of WVD offers every firm the benefits of a virtual desktop delivered via the public cloud, providing a more resilient and cost-effective solution to flexible working –

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Having a mobile app saves time and it's convenient if we're out of the office on the move and need to quickly access client information

whether that's at home or at a client's office.

One big advantage when switching to WVD is familiarity with the environment. It will not take weeks for users to grasp the changes, – in fact most will not notice anything but the benefits.

WVD enables access to a full Windows 10 desktop through any device, with only a Microsoft 365 account and an internet connection needed. The device you connect with can use any operating system and no user VPN is required – just a way of accessing your virtual machine.

It lowers hardware costs. Migrating to WVD ensures all your storage and processing needs are handled by the Azure cloud environment, with only a low spec needed for access to the virtual desktop, which happily reduces your overall computer hardware costs.

With WVD you only need a single licence for each virtual machine and, if you're already a Microsoft 365 subscriber, you probably already have it. All of which not only makes your licensing easier, but also reduces the cost, making WVD more an immediate imperative than a nice to have in the future.

And, thanks to a new version of Windows 10, multiple users can connect through it, allowing a single virtual cloud-based machine to be used by more than one individual at a time. This simple change, utilising Windows 10 Enterprise multi-session, helps reduce the cost of each user significantly.

That's not all – it simplifies user administration. When you need to deploy new software or provide a new employee with their own laptop, WVD makes

administration simpler and less time-consuming, with everything handled through a single administrative console.

Switching to WVD ensures that any similar future disaster that prevents access to your offices will not prove an obstacle to work. Everything will be available on your virtual machines in the cloud, accessed by any devices, at any time, by all your people, wherever they choose to work from.

Another big advantage for law firms is the improved security that comes with WVD. All the firm's data is stored on virtual desktops, with security patches and updates applied immediately, in a single secure datacentre that only you can access rather than spread across multiple physical devices.

LAW FIRM AGILITY

The global pandemic appears to have been a wake-up call for business, a renewed focus on efficiency, flexibility and profitability. The move to allowing more remote working was viewed as a long-term goal, but became a short-term necessity very quickly.

Those firms quick to adapt to the world as it is will help shape it, but those that choose to return to the way they worked pre-pandemic, looking for a comfort blanket of on-premises solutions, fat-client desktops and bloated IT teams, will face a bleak future.

Law firms must embrace technology that removes the frustrations for their clients, when they need to first instruct, then stay close to, their legal advisers. Agile law firms will enhance the client experience and attract new business with the promise of lean processes. Technology can help. **LPM**



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REGIONAL FOCUS

Scotland's yard



As if the Loch Ness monster and unicorns weren't enough, the Scottish legal sector may vary wildly to the rest of the UK in terms of legal regulation, but Scottish firms aren't that far out of this world. Kayli Olson reports

The Scottish legal sector plays a significant part in the Scottish economy, contributing £1.2 billion in revenue and sustaining around 25,000 high-quality jobs, says Robert Holland, partner and head of employment, Balfour + Manson.

That being said, there's been a considerable amount of consolidation in recent years. Chris Harte, chief executive partner at Morton Fraser, says Scottish headquartered law firms have ceased to exist in the same numbers, with bigger firms like CMS (legacy Scottish firm, Dundas & Wilson), Pinsent Masons (legacy Scottish firm, McGrigors) and Dentons (legacy Scottish firm, Maclay, Murray & Spens) moving in and consolidating the market on the one hand and on the other, smaller firms becoming insolvent (like Semple Fraser, Tods Murray and McClure Naismith).

Harte adds: "Of course, the question is not 'how can we be bigger?' but rather 'what size do we need to be to serve the clients we'd like to serve?' Being a big firm doesn't of itself equate to success: just look at SJ Berwin/KWM. Indeed, if the future is about being creative, nimble and adaptable, then query how much scale will really help with that."

Holland says there's plenty of debate over UK PLC 'taking over the market', with good arguments on both sides. "While many naysayers bemoan the loss of some traditional Scottish names, the history is being replaced with quality exposure of the Scottish market, both across the UK and worldwide. One view is it has had a positive effect.

"But I also see the importance of the proudly Scottish firm. Scottish lawyers and firms have had, and still do enjoy, a tremendous reputation

worldwide, and we should encourage that distinct identity in our own firms. You just have to look over the Irish Sea to see the boost Ireland's sector has had in times of Brexit with a distinct offering in an EU context. I sometimes think we need to sell our market more to the world."

So how do Scottish firms differentiate? Harte says to the wider UK: "Technically we're a full-service firm, but could also be considered to have a geographic niche as we deal principally with this jurisdiction."

Harte says changes in reputation and brand identity have started to really evolve. "All businesses have a brand whether they want to or not. The question is whether or not they choose to drive and influence that brand. Brand identity can't be supported just by external positioning – the message has to be built from our real-life values and match what happens internally – not just for attracting new clients, but also helping us attract and retain high-quality people. Fundamentally, we're in the talent business and hiring good talent in Scotland remains highly competitive."

Holland says Balfour + Manson has a distinct offering and place in the market. "We don't compete with the large corporates, but instead offer tremendous quality in niche areas of litigation, private client and commercial. We tend to punch above our weight, as it were."

MARKING MARKETS

In terms of client base, Andrew Chalmers, managing partner at Davidson Chalmers Stewart (member of Globalaw), says the variation between Scotland and other UK regions in terms of sectors is limited. He says the Scottish economy has a higher proportion of some industries, such as

renewable energy, rural business, hospitality, and food and drink production, but is also strong in terms of technology, life sciences and financial services, like many other parts of the UK.

"Therefore, the needs of our clients will be similar to those in most other regions in many respects."

He says the majority of clients are SMEs, which make up the backbone of Scotland's economy and account for the lion's share of the jobs and prosperity there – and the core needs of SME clients are based around service delivery.

"Fee levels are very important within the SME community, but most clients really want value for money rather than cheap services. We take a flexible pricing approach with clients to ensure they get the appropriate level of expertise that is required to support their specific needs."

And the people to service those clients? Chalmers says there's no 'one size fits all' mentality when it comes to recruitment. "Our key focus is on finding people who are positive, energetic and would work well alongside our colleagues. While some of our recruitment is done through direct advertising and recruitment agencies, we often rely on word-of-mouth recommendations when seeking new talent for the firm."

Holland at Balfour+Manson says the firm's mantra is quality over quantity. "We're of the view that training and investment in young lawyers is key. Our trainee recruitment day is very demanding, with a variety of problem-solving scenarios."

NEEDS CHANGE

The work ethic in Scotland in general is strong, and pretty collegiate, says Holland. "But also, there does seem to be a better work-life balance than you would find in, for example, the south-east. While of course there are days when you can be at your desk late, and Sunday catchups do occur, it does seem most firms operate within an 8am–6pm normality. And, apart from corporate transactions, there are fewer of the 'all-nighters' famed in London."

"We try and encourage individual responsibility – from trainee upwards, it's your work, and it's for you to manage it. That could mean starting early and being finished by 4pm, or coming in later."



There does seem to be a better work-life balance than you would find in, for example, the south-east

Robert Holland, partner and head of employment,
Balfour + Manson

Generally, we're an early bird office, with many in before 8am, and equally if you walk the floors after 6pm, you won't see many fee earners. All of this, combined with shorter commuter times, means that there's a better life balance, and we often find lawyers relocating from the south-east or coming back home to find that."

Chalmers at Davidson Chalmers Stewart says, prior to lockdown, the firm operated under a fairly traditional office environment, with most staff commuting into work on a daily basis. "The lockdown has, however, demonstrated that our IT infrastructure can fully support remote working. It's unlikely that we will ever go back to pre-Covid-19 working practices. And I suspect we'll see a greater shift towards home and flexible working across the UK as part of the new normal."

Harte at Morton Fraser says, even before lockdown, there was a lot of chatter in the legal market about innovation. "SME firms need to start by asking themselves: 'To what problem will this innovation be the solution?' The challenge is to be more user-friendly for clients."

"Technology can certainly help with that, but it's also about how we provide clear advice as well as predictability of cost. We've made great strides in recent years in putting clarity of advice and costs at the heart of our service because we know how much these things matter to clients."

At the end of the day, Holland at Balfour + Manson says, it's a relatively small market, with quality and reputation being key. "If you don't perform for a client, or fail to do the right job, word gets around." **LPM**

LPM FIRM FACTS

Balfour + Manson

Revenue: £8.7m

Corporate status: LLP

60 fee earners, 120 total staff

Offices: Edinburgh, Aberdeen, Glasgow

LPM FIRM FACTS

Davidson Chalmers Stewart

Corporate status: LLP

61 total staff

Offices: Edinburgh, Glasgow, Galashiels

LPM FIRM FACTS

Morton Fraser

Revenue: £21.8m

Corporate status: LLP

260+ total staff

Offices: Edinburgh, Glasgow

TURNING POINTS

28 INDUSTRY ANALYSIS

Brave new world

Nicola Anthony at **Miller Insurance** on a new world of digital working and the compliance and insurance implications thereof

32 CASE STUDY

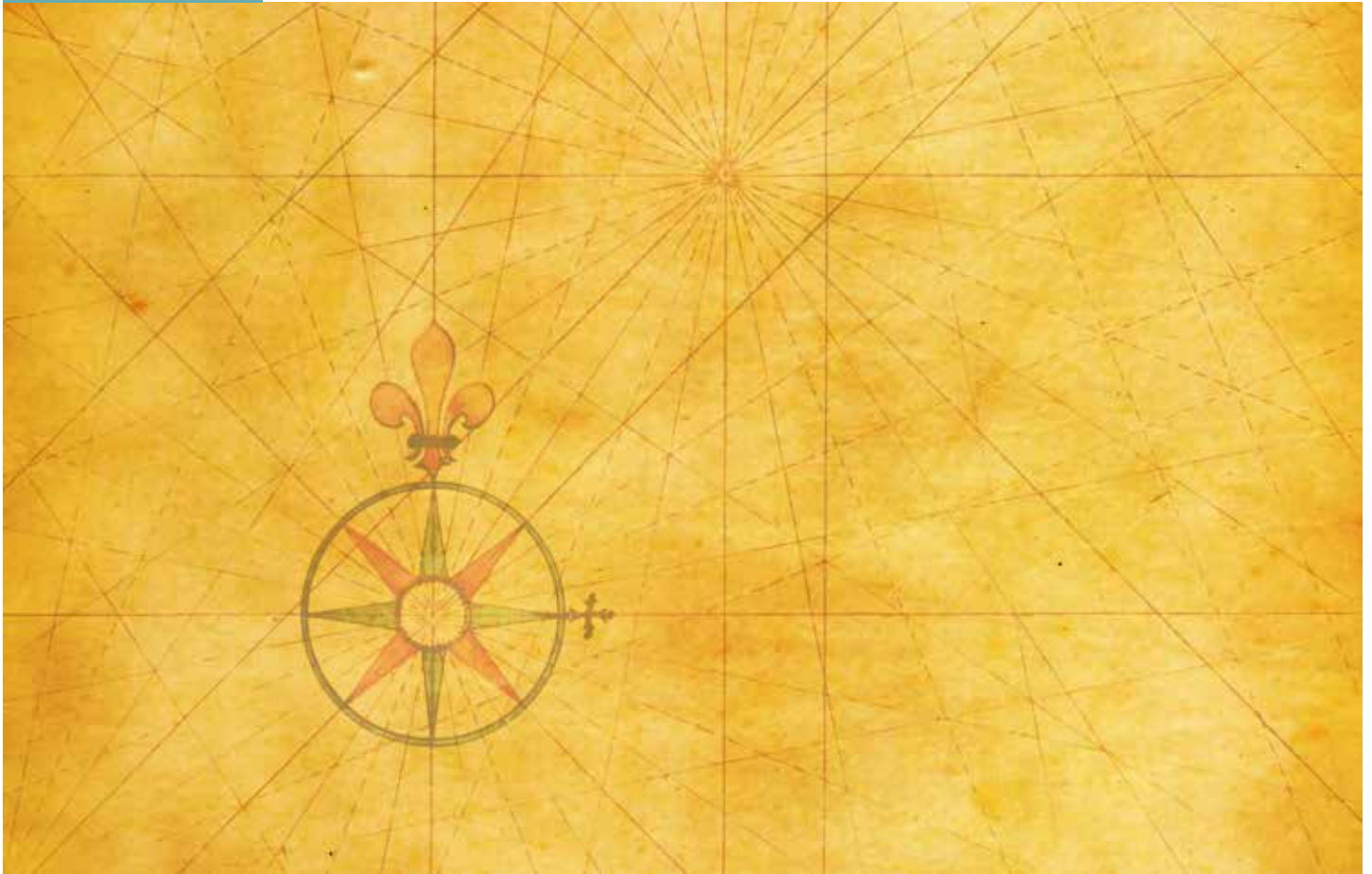
Creating quality

Emma Cummins at **Paris Smith** says **Bundledocs** helps the firm to be more efficient and drives good client service

34 INDUSTRY ANALYSIS

Change responses

Kirsten Maslen at **Thomson Reuters** reviews the competitive landscape and trends in use of technology affecting SME law firms



BRAVE NEW WORLD

Nicola Anthony, risk and compliance manager at Miller Insurance, discusses a new world of digital working and the compliance and insurance implications of that

As lockdown begins to ease and the world starts to return to some form of normality, many of us are likely to continue working remotely for the time being. With that in mind, over the last three months many will have been trying to settle into a new norm and explore alternative ways to do business during these extraordinary times.

The risks and challenges law firms face are as real as ever – with areas of business under immense pressure and being tested to a degree that may have never been seen before. However, with an accurate hand, the risks facing the legal profession can be mitigated and managed effectively.

CYBER LIFE

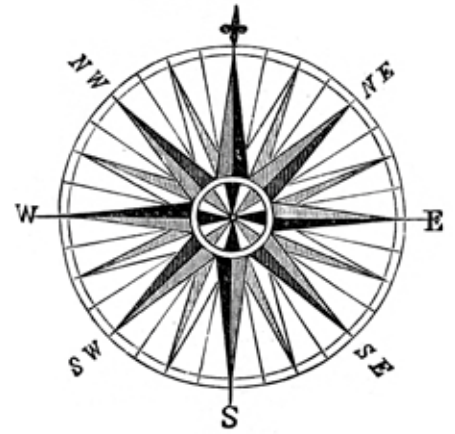
Fraud is rife during a pandemic, and it's likely that we'll see a sharp increase in attempts to defraud law firms as well as the most vulnerable. Criminals adapt to market changes quickly, using innovative ways to commit crimes – this can lead to new risks arising, particularly with more people out of work. It's vital that law firms understand and explore what the risks are and whether the

risk landscape has changed as a result of the pandemic. This may be different for each firm.

As lockdown eases and the country starts to get back on track, albeit a new norm for the majority of us, social engineering fraud (where a solicitor or employee is duped into sending funds to what appears to be a legitimate source) is likely to rise. Firms need to be more vigilant, and ensure staff are reminded of the warning signs to spot such frauds. Covid-19-themed phishing emails appear to have increased in frequency during this time and staff should be aware of how to spot the warning signs of a phishing email. Providing all staff with the appropriate training and testing them by sending internal phishing emails will produce invaluable data on staff resilience.

Complying with remote working policies during this time is crucial to protect client confidentiality and avoid complaints and claims.

Electronic data – reduce your risk exposure by reviewing your policies and procedures to ensure they're up to date. Remind (and educate if necessary) staff about maintaining



Consideration should also be given to how documents are replicated electronically, ensuring that this is done in a safe and secure manner and that staff are not using applications that are not supported by your firm's network

high data processing standards when remote working.

Keys points to consider:

- Create strong passwords
- Turn on two-factor authentication for extra security online
- Get email encryption
- Set restrictions on personal equipment

Having a clear desk policy at home, ensuring you lock your laptop when leaving it unattended, closing it down at the end of your working day and considering a safe place to store it when you're not at home, will preserve client confidentiality and avoid potential data breaches. Consideration should also be given to how documents are replicated electronically, ensuring that this is done in a safe and secure manner and that staff are not using applications that are not supported by your firm's network.

Detailed guidance on cybersecurity during the pandemic and beyond can be found on the National Cyber Security Centre website.

Hard copy papers at the home – consideration should be given to the following:

- Ensure all files and documents are tracked and traceable. Maintain a record of all files

held at home – and, where possible, ensure that these files (specifically any pertinent documents) are stored electronically.

- Ensure staff are aware of procedures on processing sensitive and personal data. Review current policies and procedures to consider how confidential information is handled in the remote working environment. It's also best practice to record any training provided.

- Consider providing secure storage for your staff (for sensitive documents) and appoint key persons to obtain such files from the office.

By now, it's likely that current clients will have been made aware that staff are working from home – and should be informed of how their data will be handled sensitively. However, this should be the case for all new instructions too. Consider amending your letters of engagement to reflect this change in process and adding a commentary to your email footers explaining your remote working.

AML PROCEDURES

The Solicitors Regulation Authority (SRA) published its Draft Business Plan 2020/21 last week, detailing its plan to expand its anti-money laundering (AML) visits to all high-risk firms on a three-year rolling basis, along with visiting a sample of lower-risk firms. Given the current situation, this may well consist of a desk-based review, so don't think that lockdown or virtual working will prevent a request for information from your regulator. These reviews will consist of reviewing AML policies, procedures and controls, or risk assessments that may carry out a thematic review on tax advice.

The SRA will also review the methodology it uses to risk rate firms. The results of such reviews will be reported to the Office of Professional Body Anti-Money Laundering Supervision and HM Treasury.

Given the crisis, many firms' compliance

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resources may have been diverted, and it may have proved difficult to keep up with AML procedures and controls – and that includes customer due diligence and on-boarding checks. However, the SRA Standards remain the same, and firms should ensure that they review matters opened over the last few weeks/months, to ensure their procedures and controls have been met and all steps taken documented with a rationale if you’ve decided to act outside of your policy, procedure and controls with signoff from a superior.

Customer due diligence (CDD) and onboarding is likely to have been, and continue to be, a massive challenge for the legal sector. Although the SRA Standards may be the same, the way in which you meet those standards may change and the Legal Sector Affinity Group has produced an advisory note on how you can meet those standards, and the risks you should consider during this time.

Many law firms may have moved to a digital platform for carrying out CDD and onboarding checks. Care should be taken to ensure that this does not replace human judgment in its entirety, as that’s still an important part of the process of identifying a client: being as certain as you can be that they are who they say they are. The Financial Action Task Force has produced useful guidance on electronic due diligence, particularly recommendations 22-27 in the Executive Summary (summarised below), and which you may wish to consider.

1 Understand what the digital identification system is checking, and against what databases/other sources.

2 Take a risk-based approach in assessing and validating the information provided with the risk in question.

3 Does the digital identification system provide the assurances necessary to consider that all non-face-to-face transactions are no longer high risk?

4 Consider using the system with other methods to protect against fraud and cyber breaches.

5 Ensure that your firm has access to the information it may need to prove its compliance to your regulator and supervisors by engaging with the service provider.



Many law firms may have moved to a digital platform for carrying out CDD and onboarding checks. Care should be taken to ensure that this does not replace human judgment in its entirety

Firms will need to stay alert and remain vigilant for the foreseeable future, and where you cannot identify a client, or a transaction appears unusual, firms should not act.

SUPER VISION

Effective and proactive supervision plays a pivotal role in ensuring that the above is achieved as well as the protection of the wellbeing of staff.

Many, if not all, staff will be under some sort of pressure, whether it's juggling work and children at home or caring for older, more vulnerable, family members or working remotely on your own. Firms should ensure that all staff are included and given the appropriate support and training where required.

This may be in the form of weekly virtual meetings or having a key contact to revert to on specific days to check work or run a query past. Documenting conversations and rationales for decisions made on files and ensuring all correspondence is relayed to clients in writing will assist if there was ever to be a complaint and/or claim about how a matter was handled. Staff need to know that there's always an open-door policy and feel comfortable to report matters on how to manage email correspondence from a client or third party. Having regular meetings/discussions on workload and progression of matters allows for all involved to assess accurately next steps and support staff at all levels.

Firms should ensure that they continue to comply with their internal policies and



Documenting conversations and rationales for decisions made on files and ensuring all correspondence is relayed to clients in writing will assist if there was ever to be a complaint or claim about how a matter was handled

procedures on supervision, and adapt those policies and procedures to reflect a change in working environment and pattern. Training should continue, and firms should consider using different methods to cascade current information – such as webinars and video conferencing – to ensure all have taken note.

If you're unsure as a firm if you're doing enough to support your staff during this time, think about a staff survey – this will allow you to compile the data and address staff concerns you may not have been aware of.

With a change in working environment, now is a good time to review your internal policies, procedures, controls and risk assessments to see if they still work for your firm and consider what changes, if any, may need to be made if remote working will be the new norm for your firm, a brave new world for many. The SRA and Law Society have provided useful guidance in this current situation. **LPM**





Emma Cummins, tech training manager at Paris Smith, says Bundledocs helps the firm be more efficient and drives good client service

Tech training manager Emma Cummins says Paris Smith is loyal to its core values – or, as the firm refers to them, SPIRIT values: “We always strive to offer an excellence Service in a Professional manner, with Integrity and Respect for our clients and colleagues and by being Innovative in our delivery – as well as building and maintaining Trusted relationships. That Trust underpins everything we do – our vision and strategy would not veer from that.”

As such, Paris Smith needs technology and partners in place that echo or support the firm’s SPIRIT values. An excellent service is what the firm’s clients expect, and what Paris Smith expects of its technology.

“Our family and dispute resolution departments were using various tools to create bundles – spending hours at photocopiers, putting paper versions together, trying to paginate everything and so on. That time and inevitable cost was being passed on to the clients and it negatively impacted efficiencies.

“When we were introduced to Bundledocs, we immediately saw that it offered an opportunity to reduce that time and cost to the client. That was our key driver. We soon could see lots of other benefits as well.”

FIRM BENEFIT

Cummins says what Paris Smith gets from Bundledocs is an excellent service that enables the firm to open that out to other areas of the business.

It’s now being used in the property teams for large contract packs. So, she says, it’s not only the litigious departments that see the benefit: “We find that for anyone who needs to put together big or complex document packs, it really comes into its own.

“We are innovating with it to a degree. It could be used in our corporate areas as well. They sometimes have quite complex documents within documents. Bundledocs is such a time saver – we’re looking at how to apply it across the firm.”

The historic challenges in the bundle creation process don’t just stop at the photocopier – lawyers and their use of Word are unequivocally linked together. Maintaining a house style and getting Word documents organised are also things that take time and effort, and which fee earners don’t want to waste time on – especially those who bill at high hourly rates – they can’t get that time back, she points out. “So, anything that helps them put their documents together seamlessly is a win.



Through the Bundledocs portal, we can send a link to a recipient to enable them access to a bundle with an expiry date and set download limits and levels of access

Emma Cummins, tech training manager, Paris Smith

“One of our family lawyers recounted that it used to take two to three hours to create a bundle – with Bundledocs it can be done in under an hour. More than halving the amount of time taken to do that is a big plus.”

And, she says, Bundledocs set up a really nice API, which allows staff to upload documents from the firm’s practice management system (PMS) straight into Bundledocs. “We can create bundles and sections from our PMS rather than log into a separate portal.”

That being said, she adds that having the portal is a great feature as well. “Through the Bundledocs portal, we can send a link to a recipient to enable them access to a bundle with an expiry date and set download limits and levels of access. It has so much more capability than we had when we were sending out PDFs or various paper copies.

“It goes to show the huge benefit in the collaborative nature of Bundledocs. In the past, when you had a bundle of documents that had been put together in hard copy, often you’d need to produce copies for outside counsel or other experts working on the matter. It was time and paper heavy.”

Paris Smith has received great feedback, not just internally, about the collaboration tool. So much so that the firm ran its own spotlight on the entire Bundledocs product internally – Cummins could see that there was a lot of use for it during lockdown.

“We wanted people in the firm to know it was

available and tell a story around the success other departments were having with it – and if they were interested in using it then we could get them up and running extremely quickly to use it during lockdown.”

FLEXIBLE SERVICE

She says, on a personal level, Bundledocs is amazing to work with. “We were completely delighted with the service they provided during the initial setup and training. Our contact remained very open about communicating with us throughout.

“And any time someone wanted training at short notice, he was always very flexible. He understood that lawyers don’t always want to do training during their chargeable hours.”

The training itself was also super, she adds – Bundledocs made it easy to understand and provided the firm with all the supporting materials should it need them. Simple things such as offering training via its YouTube channel and providing an interactive user manual are great for the different needs of staff as well as for building engagement, Cummins says.

“I’m always impressed by how brilliant Bundledocs is in terms of being flexible. This has been particularly important as we adapted to life in lockdown – Bundledocs supported us with a great business relationship and flexible approach to licensing with them. I can’t fault their service.”

And the firm has multiple avenues for getting in touch with someone at Bundledocs, whether that’s via email, phone or through the chatbot on the online portal.

She says, for firms that are looking to offer – and continue to offer – an excellent service to their clients and that want to have solid relationships with their third-party providers, having systems and applications in place like Bundledocs will enable them to succeed.

“All of our technology has enabled the firm to continue through the pandemic but also have maintained quality service to our clients even before these hardships. We’ve had to become more efficient and streamlined, so having Bundledocs has been absolutely crucial to that.” **LPM**

ABOUT US

Bundledocs allows users to swiftly and easily compile a document bundle for a number of purposes including court bundles, electronic casebooks, case bundles, ebriels and more. www.bundledocs.com





CHANGE RESPONSES

Kirsten Maslen, head of small law and academic at Thomson Reuters, reviews the competitive landscape and trends in use of technology for SME law firms

At the end of last year, we surveyed 200 of our customers in small and medium sized law firms (those with up to 100 fee earners). We asked about the competitive landscape and their views on how technology does or could support their growth.

The firms surveyed were of varying sizes, serving mostly SME businesses and consumers. The majority practised in litigation/dispute resolution, commercial and residential property, private client, family and commercial law.

TECHNOLOGY MATURITY

The survey contained some proxy metrics to gauge the firms' technological maturity. More firms felt confident in their use of technology to manage their financial and performance metrics, while other areas were less developed. For example, 66% of respondents did not feel there was a high level of technological expertise in their firms. And 64% believed they would benefit from automating more of their work.

Alternative legal services providers (ALSPs) reported the highest levels of automation, with 50% agreeing that their processes were automated end to end, compared with 25% of medium-sized law firms and 20% of small firms.

A further 60% of ALSPs said they used technology to collaborate with clients to improve the client experience, compared with 29% of medium-sized firms and 19% of small firms.

How important is technology to meeting law firms' challenges? In this report, respondents ranked their top challenges as:

- Clients demanding more for less
- Increasing pace of legal and regulatory change
- Managing staff, hiring, developing and retaining talent

Of the total respondents, 57% said that technology was important in helping them address these challenges. However, while law firms employ a variety of solutions to run their businesses, their predictions about which of their tasks were most likely to be

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Firms that predicted strong or steady growth pointed to an increased focus on profitable work, improved client experience and increased efficiency as being key to achieving their objectives

impacted by technology were some of the least commonly used by our respondents. These included: document automation, client collaboration, internal collaboration tools, and e-filing.

A significant minority of respondents had plans to implement new technology in 2020. These firms had clear ideas about what would make the implementation successful, including strong change management processes, and systems which were easy to use and integrate with existing systems.

SURVEYING THE LAND

In our partner report, Small and Medium Law Firms Report 2020: Competitive landscape, our respondents identified technology as key to enabling them to meet their growth objectives, with a particular focus on solutions that supported responsive, improved client experience, profitability and efficiency. However, a number of barriers to achieving these objectives emerged.

Expectations around growth in 2020

Our law firm customers are broadly optimistic about their prospects in 2020 and how they will thrive.

- Most respondents were cautiously optimistic about the market and competitive environment in spite of some strong headwinds, including the pressure from savvy and price-sensitive clients, the threat from new entrants, and the uncertainty of Brexit and regulatory change.
- Firms that predicted strong or steady growth pointed to an increased focus on profitable work, improved client experience and increased efficiency as being key to achieving their objectives.

- Smaller law firms were slightly more pessimistic in their revenue expectations for the next 12 months compared with last year. They recognised the importance of doubling down on business development activities to support repeat business – and drive new business and cross-sell opportunities.

The 2020 client

A key area of concern is how to meet the needs of clients who are well-informed, price-sensitive and expect the sort of responsiveness they experience from the retail sector. The challenge is particularly acute for lawyers, who, historically, attract business based on their reputations as experts and for the quality of that personalised client service.

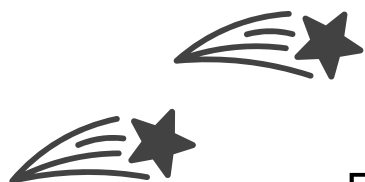
Law firms are exploring technology solutions to help them manage the various levers at their disposal to improve productivity and the working environment for their lawyers while meeting their clients' needs for personalised and responsive services.

Respondents said the majority of their work came from repeat instructions. This explains the strong focus on improving the client experience to build loyalty and differentiate from peers.

Commercial threats and objectives for 2020

Last year firms saw the biggest threat to their businesses coming from online legal service providers or other tech-enabled businesses. For small law firms, this is still the case. For medium-sized firms, there's a slight shift back to seeing peer firms as the biggest threat, with online legal service providers ranked third.

There are several possible explanations for this shift: larger firms may see the threat of online providers as receding, or the impact of technology as over-blown. More likely, judging from the verbatim comments, firms are becoming increasingly confident in using technology themselves to shift those profitability levels, and no longer see the effective use of technology as something that is done by alternative legal service providers. There's a sense that the biggest threat is from the firm next door that engages with these tech tools to identify profitable work, improve the client experience to secure greater loyalty, and to maximise business development opportunities. **LPM**



RIISING STARS?

What stops high potential junior lawyers from becoming high achievers? Kies Consulting's May 2020 report looks into identifying the most critical challenges the industry faces when turning promising law graduates into effective lawyers and the most suitable approaches to provide the necessary training. These are the top-five challenges that need to be overcome to appropriately prepare young lawyers. Read the full findings [here](#).

1 Attention to detail is not a skill but a learned attitude

Research Data	
Weighting: 92%	
Data Occurrence per Type of Law:	
Commercial & Corporate	●
Employment	●
Family	●
Litigation	●
Land & Property	●
Private Client	●

2 Being a lawyer is perhaps more emotionally challenging than it is intellectually

Research Data	
Weighting: 83%	
Data Occurrence per Type of Law:	
Commercial & Corporate	●
Employment	●
Family	●
Litigation	●
Land & Property	●
Private Client	●

3 At the end of the day a law firm is a commercial enterprise

Research Data	
Weighting: 76%	
Data Occurrence per Type of Law:	
Commercial & Corporate	●
Employment	●
Family	●
Litigation	●
Land & Property	●
Private Client	●

4 Working long hours is the opposite of being effective

Research Data	
Weighting: 62%	
Data Occurrence per Type of Law:	
Commercial & Corporate	●
Employment	●
Family	●
Litigation	●
Land & Property	●
Private Client	●

5 A firm's mistake culture grows or stifles its talents

Research Data	
Weighting: 54%	
Data Occurrence per Type of Law:	
Commercial & Corporate	●
Employment	●
Family	●
Litigation	●
Land & Property	●
Private Client	●



*About the report:
May 2020 report What stops high potential junior lawyers from becoming high achievers?
published by Kies Consulting*

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