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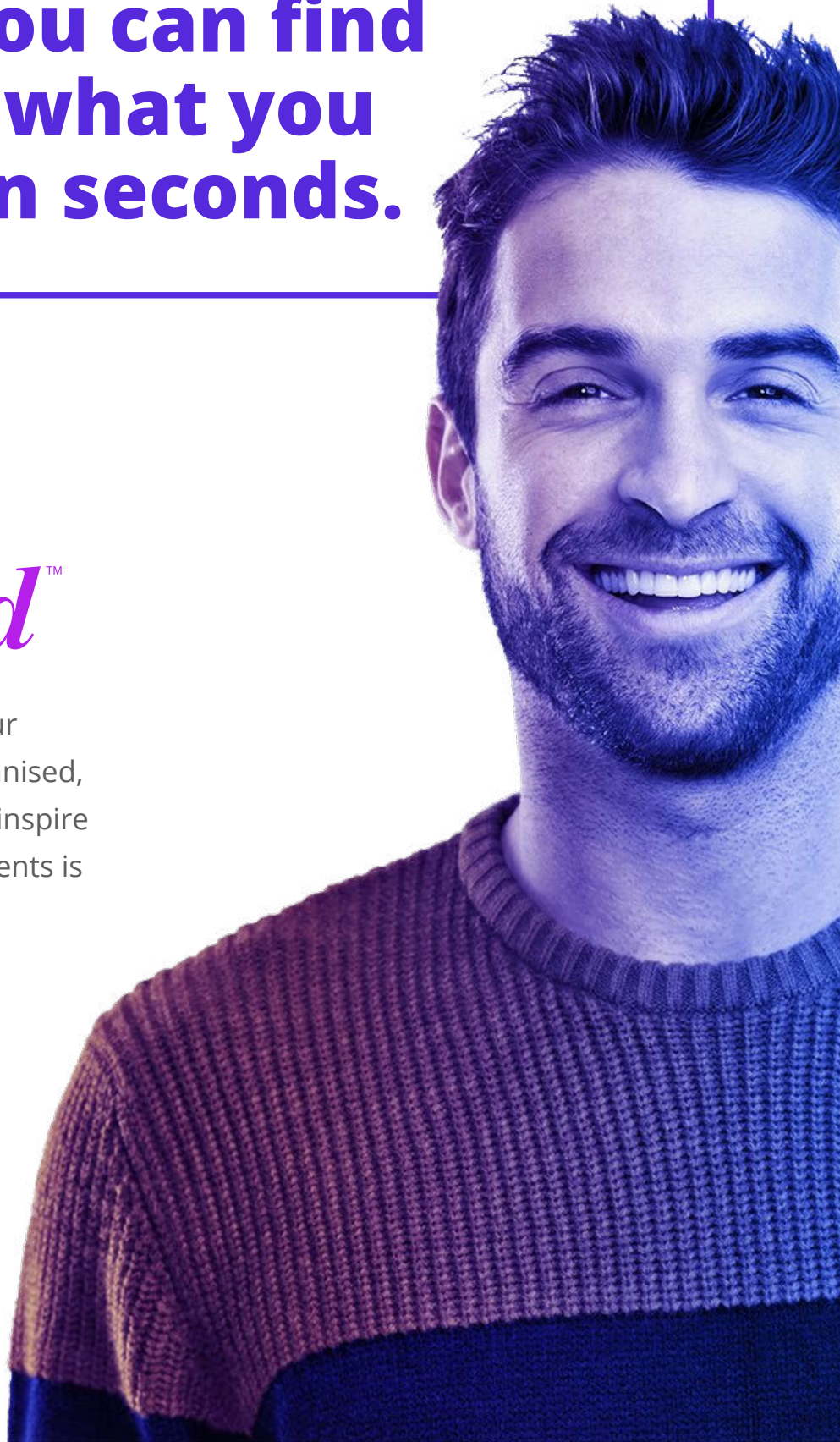
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CONFERENCE 2022

On 4 July 2022, LPM and its partners – **NetDocuments**, **3Kites**, **CTS**, **Actionstep** and **Legl** – brought together more than 65 senior business leaders from the SME legal sector to discuss and debate some of their most pressing strategic challenges. The setting was No.11 Cavendish Square in central London, the weather was sunny, and the agenda for the day was set in collaboration with members of the LPM community – backed up by our flagship LPM Frontiers research into business model and technology change that came out in April this year.

What made the conference unique was its format – in a break from long talks, case studies and sales pitches, the conference enabled attendees to bring their own challenges to the table and discuss them with like-minded peers. Core issues in the people, operations and technology space were discussed at length in small, regularly changing clusters of attendees, facilitated by representatives from our event partners.

Also featuring in the day were 20-minute ‘lightning talks’ on a range of topics such as the UK’s economic context, the upcoming risk landscape, consolidation, cryptocurrency and purpose. Speakers included: Vicky Pryce, chief economic adviser, **Centre for Economic and Business Research**; Peter Wright, managing director at **DigitalLaw**; Andrew Bryan, AML policy associate at the **Solicitors Regulation Authority**; Sarah Charlton, chief executive officer at **Eaton Evans and Morris**; Gareth Malna, head of FinReg at **Stephenson Law**; Colum Smith, chief vision officer at **Taylor Rose MW**; and Angela Monaghan, purpose and impact manager at **Bates Wells**.

Attendees also participated in a rapid-fire survey to share their most secret thoughts on what lies ahead for the UK’s SME legal sector. This supplement analyses the findings of that snap poll, offers a flavour of the day’s debates and sessions, and includes expert comment from attendees present and our event partners who facilitated several roundtable conversations. A big thank you to everyone who came, contributed and made this event possible – we’ll see you all again soon!

Aftab Bose, editor  
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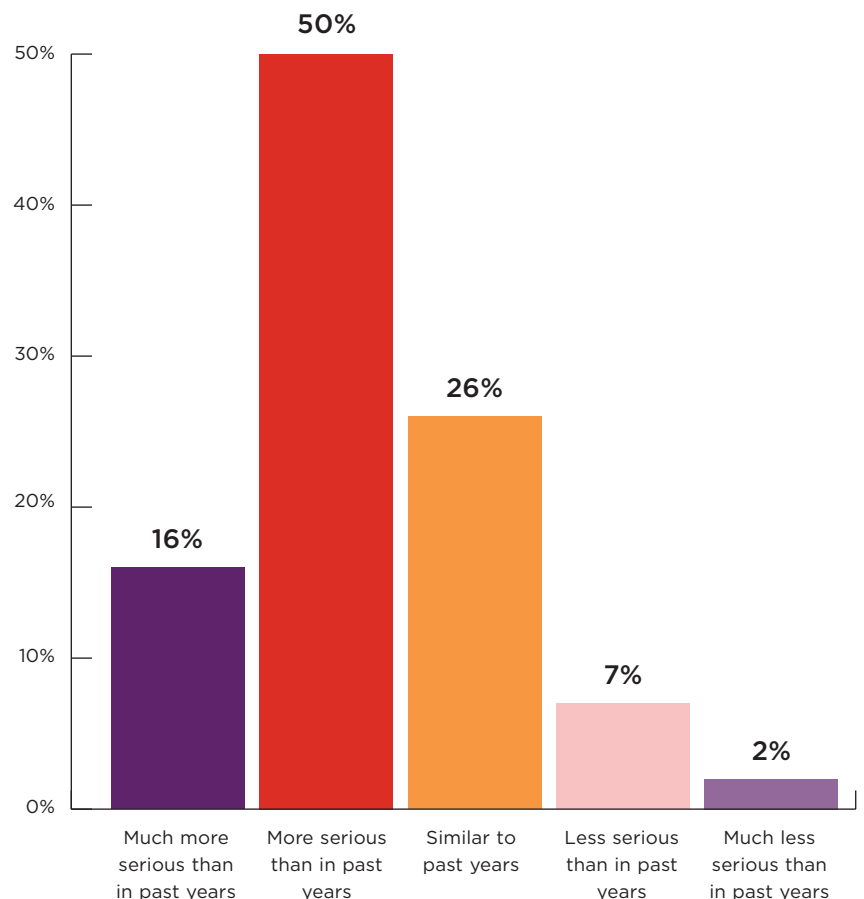
# What do the polls say?

LPM's editor, Aftab Bose, analyses the findings from polling conducted among the attendees of LPM Conference 2022, with comment from leaders within the SME legal sector – a number of whom were present on the day

When Vicky Pryce, chief economic adviser at the Centre for Economic and Business Research, took the stage as the keynote speaker for LPM Conference 2022 on 4 July, she was already speaking of inflation, uncertainty and a looming recession. The war was putting upward pressure on energy prices, inflation was outstripping wage growth, and GDP growth projections for 2023 in the UK, according to her, were worse than any country in the G20, bar Russia.

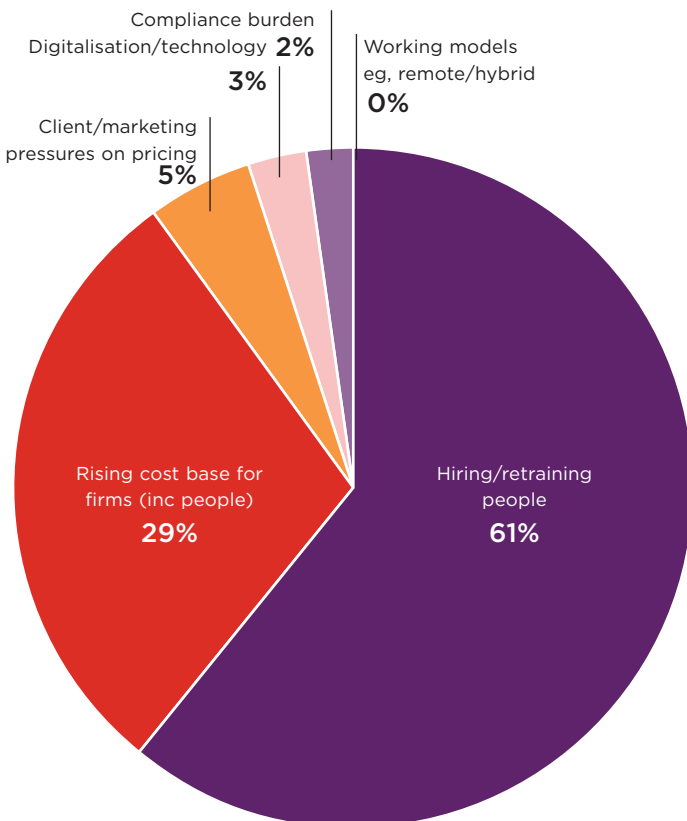
Little did she – or any of us – know of the domestic political turbulence that lay ahead. That said, her assessment of how the SME legal market would have to grapple with repercussions of uncertainty – from clients' purchasing power to potentially faltering demand for services – still holds strong. Shortly after the talk, when more than 65 senior business leaders present were polled on a variety of relevant topics, two-thirds reported the challenges their firms face over the next two years are most serious than in past years (p4). Firms were demonstrably aware of the intensity of the circumstances, particularly when considering that past years include all the challenges relating to the pandemic. "We're feeling significant inflationary pressure, which isn't aided by the economic situation since the mini budget. Markets are volatile, and the political and economic upheaval we're witnessing on a global scale has resulted in us closely monitoring the situation in a range of different jurisdictions, and their effect on additional regulatory requirements," says Anna Elagina, finance director at Boulton Wade and Tennant.

## How would you rate the challenges your firm faces over the next two years?





**Out of these, which is having the biggest impact on the SME legal market? (Choose one)**



“The upshot is widespread uncertainty – we’re keeping a close eye on how our clients and suppliers will be affected. We have clients with global operations – how are their patents, trademarks and business models being impacted with instability around the world? What are the implications for their cashflow and, consequently, their ability to pay fees? Our business wouldn’t exist without clients and suppliers, so uncertainty for them is worrying for us,” she adds.

**A PANDEMIC HANGOVER**

Client confidence is a key factor for firms, and some are starting to strategise for a dip. “Confidence tends to have a bearing on fees. We’re not threatened because we always have a steady pipeline of business, but given the circumstances, we are looking to be more creative in terms of offering conditional fee agreements, damage-based agreements and contingency fee agreements, while also working with clients to achieve value rather than charging them on the promise of a potential return in the future,” says Guy Davis, managing partner at Davis Woolfe.

According to Davis, disruptive events of recent years are now starting to have concrete repercussions. “We were in a false economy of sorts coming out of the pandemic – businesses were being supported by banks and the government, landlords were unable to enforce and there was a protective bubble around the business world. Now that we’re out of that cycle, people and businesses are having to pay back what they borrowed without grace periods or concessions. On top of this, Brexit has had an impact too – some of our clients in the restaurant and entertainment industry are finding it very difficult to find staff for specific kinds of roles. These challenges are coming to the surface now, compounded by the war, higher costs of living and borrowing and issues with mortgages – it’s all quite gloomy,” he continues.

The hangover from the pandemic is not purely financial – Tim Cogan, legal compliance director at Tinsdills, talks about the rapid transformation that firms had to undergo during the pandemic, and the potential fallout from that hastiness. “Firms achieved in 18 months what they might



have done in 10 years, and in many cases it was all put together with 'sticking plasters' just to get them through the immediate challenges. But now such temporary workarounds are the new way of working for the future, and firms need to fill in the gaps," he says.

**COST OF CRISIS**

So the challenges are multifaceted – Brian Cullen, chief executive officer of the MAPD Group, is already seeing movement in the market. "I've seen media reports that the number of law firms reporting themselves to the SRA with financial difficulties has spiked substantially. This would usually be in the bracket of the smallest firms, but surprisingly, this time around, it extends all the way up to the mid-sized and larger law firms," he says.

"MAPD Group is an acquirer of law firms, and we've been approached by almost 10 firms for deals in the last few months alone – whereas there was only one approach in the period before that. This suggests a sense of nervousness in the market, and unfortunately it might be for good reason. Reduced access to funding and rising interest rates might cause failures for some firms, particularly when considering the volatility of the economy." Take the residential property market as an example, he says. "It's been through unprecedented highs and is facing a potentially volatile period going forward."

Cost pressures are particularly intense in the staffing space, as new economic pressures pile on to the talent attraction and retention challenges that were already being felt in the UK SME legal sector. Asked for the factor having the biggest impact on their firms in the summer, 61% of delegates said it was hiring and retaining people, while the second biggest share – 29% – was the rising cost base for their firms, including staffing (p5). "Unequivocally, our biggest cost challenge is people – to ensure retention, we're having to increase wages disproportionately to our revenue, while the alternative is to lose people and then spend the same amount, if not more, on recruitment. This puts tremendous pressure on margins," says Cullen.

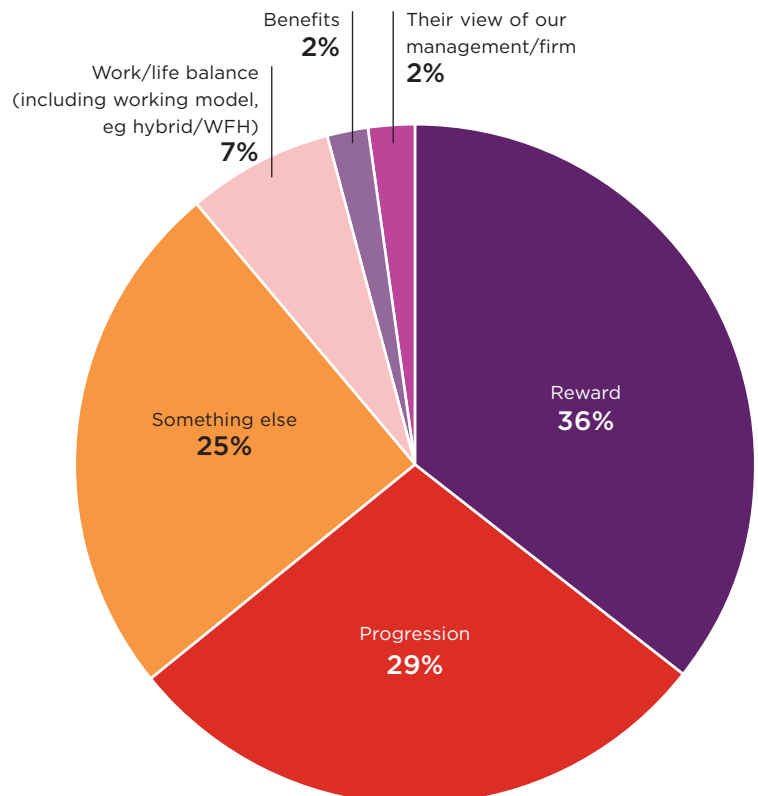
Quizzed about the reasons people are leaving

their firms, most conference delegates – 36% – reported reward as the main reason, followed by 29% claiming departures were mostly due to concerns around career progression (p6).

"Though we have a fairly stable workforce and few issues with retention, recruitment is getting very expensive due to the high wage offerings required to attract good people, which comes out to be a significant cost," says Elagina.

Prudent planning is the need of the hour, and firms are seeking ways to maintain their financial

**What's the main reason your most valuable leavers are leaving?**





health without seeing too great an impact on fees or wages. “We’re asking our credit control team to be quite persistent when chasing clients for payments, as maintaining our cash reserves is the most effective way to mitigate rising costs,” Elagina adds.

“Our approach for now is to avoid knee-jerk reactions to market fluctuations – we want to keep our wage bill as stable as possible because our clients are also experiencing cost pressures, so increasing fees might not be the best way to protect our margins,” says Cullen.

## PEOPLE PROBLEMS

On the whole, however, workforce-related issues are still dominating the SME law agenda. Attendees were also asked whether the biggest challenge to the growth of their firm lies in marketing and business development, or in their ability to staff up to scale – 83% opted for the latter. And while reward is the major reason for movement, there are other factors at play.

Davis says: “People want change – in their workloads, work-life balance and level of flexibility. We’ve noticed a shift in attitudes towards work, and approaches to recruitment have changed too. People can shop around for jobs online and give interviews virtually – so traditional barriers of having to go into offices for



*“Our business wouldn’t exist without clients and suppliers, so uncertainty for them is worrying for us.”*

Anna Elagina, finance director, Boulton Wade and Tennant

## World Café: Analysing people problems

Session one of the conference allowed delegates to group together to have detailed yet informal discussions on the talent problem.

Some looked at the changing face of recruitment – be that the use of branding and social media in attracting people, or the role of technology in building a successful employee value proposition. Attendees highlighted the value of staff surveys and board room discussions to build a clear firm identity. Firms that have instilled a sense of flexibility, support and work-life balance into their culture can use an online presence to communicate these attractive features to potential candidates. In a more direct sense, social platforms were assessed for effectiveness as recruitment channels – with some highlighting their growing relevance and popularity while others continue to prioritise agencies due to the high volumes of irrelevant applications.

In the tech space, conversations revealed that tools such as portals, email management systems and aggregated data pools could make life a lot easier for people within a firm – removing multiple data entry and other tedious tasks from their daily agendas.

That said, not everyone would benefit from such a tech-driven model – another challenge discussed was the complexity of catering to the needs of five



different generations in the workplace. Some might desire more flexibility and digital advancement, while others might crave structure. Trust, candour and versatility were some strategies that were discussed to address these challenges.

And lastly, firms discussed how a more attractive workplace might be one that moves away from traditional metrics of success such as profit and billable hours and towards a focus on purpose, client-centricity and holistic growth. We heard that while planning for immediate challenges is important, the future is one of social responsibility and sustainability, and firms need to be looking five or 10 years down the line to determine how they will fit in with the changing world of business. As such, firms that make meaningful change first will likely attract candidates with a shared vision for the future.



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## Scan for risk, plan for compliance



In the only panel discussion of the day, LPM's editor, Aftab Bose (right), was in conversation with Peter Wright (centre), cybersecurity and data protection expert and managing director of Digital Law, and Andrew Bryan (left), anti-money laundering policy associate with the Solicitors Regulation Authority.

The panel covered the rising incidence of ransomware in the post-pandemic world, its intensification as a result of prolific cyber warfare on the back of the war in Ukraine, and strategies that firms can employ to ensure not only that certain security measures and protocols are in place, but that their people adhere to these without fail.

Also on the agenda was the increasingly complex world of data protection – specifically the slow adoption of adequate retention and disposal practices in the SME legal sector. While breaching data

protection stipulations have increasingly stringent consequences, enforcement remains sporadic to the point where few law firms feel the pressure to take on the overwhelming task of sifting through their historical data – a lot of which might still be stored on paper files in warehouses.

Last on the list was cryptocurrency, which is increasingly present on the law-firm radar – either in the form of fees, or assets and funds for large transactions that need to be screened for money laundering. Law firms need to assess their interaction with crypto on a case-by-case basis, as there is little body of experience from within the sector on which to draw, and regulations are still catching up in this space. Few will be immediately faced with crypto conundrums, but they might be worth preparing for in the near future.

meetings have been eliminated. It's now possible to interview with three or four firms a day."

The desire for a better balance is exemplified by the rise of the consultancy model. Brian Inkster is the chief executive officer of Inksters – a freelance model of law firm based in Scotland. "We've actually seen increased interest in the consultancy model – people, especially among the more experienced ranks, are leaving their firms due to a lack of flexibility on offer. So we've had no issues at all recruiting the right people, and it's safe to say that people wouldn't be leaving if their firms were treating them better."

The challenge is to offer the right mix of reward and flexibility, bringing stability to the workforce while keeping costs at bay – quite a tightrope. Still, some suggest that people-related issues might just abate under new economic conditions. "As more firms start to struggle from a financial perspective, people will be seeking stability – in which case they'll have less desire to move around frequently and a lower degree of leverage for higher wages," says Brian Cullen of MAPD Group.

Tim Cogan of Tinsdills has a similar assessment. "I expect less movement in the market going forward. In recent years we haven't been interviewing people for jobs – they've been interviewing us. But that might change with a bit



*"We've been approached by almost 10 firms for deals in the last few months alone – whereas there was only one approach in the period before that. This suggests a sense of nervousness in the market."*

Brian Cullen, chief executive officer, MAPD Group



more uncertainty, and people will likely value stability more – so retention could become easier, although recruitment might become even more challenging if there is less movement.”

Cullen presents the upside of this scenario, from a recruitment perspective. “We recently had quite a few people approach one of our firms from another business that was in trouble, which might become more common as financial uncertainty persists. We’re also reaching a stage where some people who left in search of a higher wage have now realised that their work-life balance and overall job satisfaction have been impacted,” he adds.

According to Cullen, one thing that makes the MAPD Group an attractive place to work is their clearly defined purpose as an organisation – something that was discussed widely at the LPM Conference 2022. The day concluded with Angela Monaghan, purpose and impact manager at Bates Wells, who gave a ‘lightning talk’ on her firm’s journey to B Corporation status – a certification that signifies a set of high standards and strong performance in terms of environmental, social and governance (ESG) factors. She highlighted the importance of cultivating a more holistic approach to growth and discussed the long-term benefits to be derived – including financial stability, future-readiness and an engaged workforce.

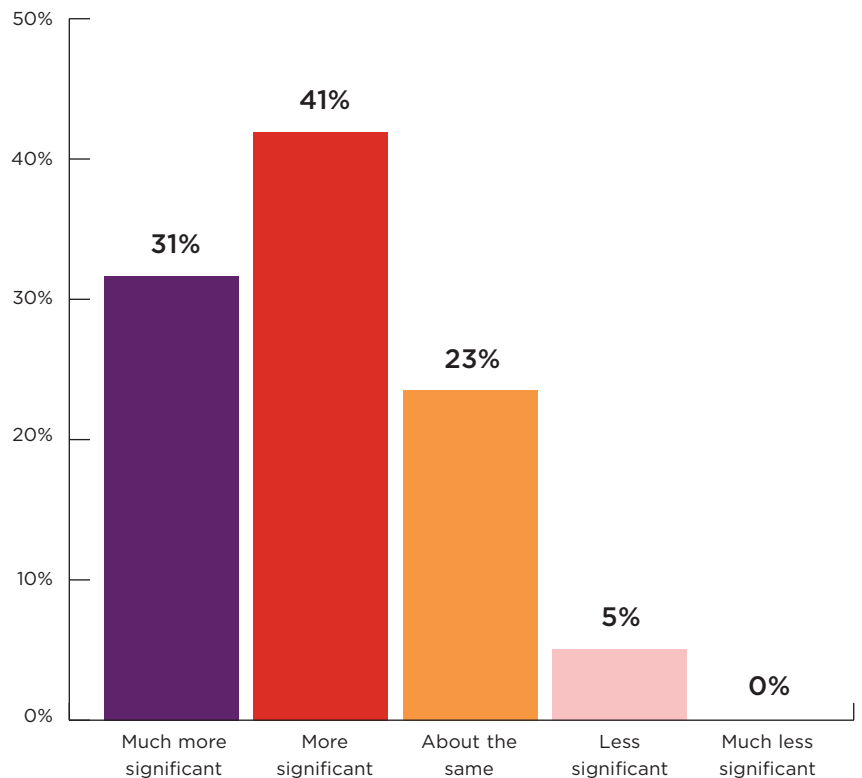
For now, reward remains a dominant force in people’s decision-making – work-life balance was cited by only 7% of leaders as the prime reason for people leaving (p6). That said, if other factors such as a firm’s culture and ESG performance were to play a bigger role, it could serve to rebalance the market and counter the wage pressure so clearly being exerted by larger firms. When asked where their most valuable leavers were going, the largest share – 45% – reported it was to bigger firms than theirs. It remains to be seen whether these trends evolve as a result of market changes.

**SURELY SECURE**

People, costs and uncertainty are significant challenges, but there are also direct risks for law firms to contend with. One area that has been a

steady source of worry for firms in recent years is cybersecurity, and its pervasiveness persists. Those at LPM Conference were asked how significant cyberattacks now were to their firm compared to 2019 – 41% said that the threat was more significant, 31% classified it as much more significant and 23% saw it as ‘about the same’. Only 5% believe that cyberattacks are less of a threat now than they were before the pandemic

**How significant a threat to your firm’s future is the risk of cyberattack, compared to 2019?**





(p9). That said, a growing risk of cyberattacks doesn't necessarily translate into more action – many firms have a range of security mechanisms in place and are confident in their ability to keep the threat at bay. Tim Cogan of Tinsdills says: “We can't be complacent, because there are always high-profile cases of hacks and breaches on the news – so we're always looking to improve our systems. We're cloud based, and we run regular phishing campaigns to measure preparedness, which are then followed up by training where necessary. We follow the advice of professionals and conduct regular reviews of our infrastructure. So we have security in place and I don't think it's changed any more than it would have done in normal circumstances – we've always taken this issue seriously.”

Brian Cullen of MAPD Group has a remarkably similar view: “We have always been serious about security – it's on the risk register on a monthly basis at board meetings, we conduct training and we rely on a service provider to manage our security. As such, there's no need to take it any more or less seriously than before.”

Guy Davis of Davis Woolfe adds: “It's certainly a very serious issue, and we've been gathering information in this space. It seems to be affecting firms of only a certain size – we might be flying just under the radar, but we continue to take security seriously.”

A confluence of secure systems, training and compliance checks goes into effective cybersecurity – much like with some other risks that should be on the SME firm's radar. During a dedicated segment on risk and compliance at LPM Conference 2022 (see p8 boxout) experts discussed a range of factors that look to be threatening SME law firms in the near future – from ransomware attacks and data protection breaches to the rapidly emerging world of cryptocurrency. Firms should focus on thoughtful process, rigorous training and effective policy-making to avoid any unforeseen setbacks at a time that is already rife with pressure and uncertainty. **LPM**

## Thinking hats: new problems, new solutions



Attendees and facilitators were challenged in the afternoon to examine some of their key operational pain points from a range of different perspectives. Groups of six or seven were seated at a table, asked to pick a problem statement, and then change their approach to solving the problem – or their ‘thinking hats’ – every ten minutes.

Round one was the white hat, which signifies a purely fact-based approach to identifying a solution. Round two was the yellow hat, pushing delegates to focus on the positives and opportunities that could emerge from a particular solution. Green hats were next, calling for creativity and a look beyond conventional thinking. In round four, delegates donned the black hat – critiquing their ideas to eliminate anything that might not work. And lastly, wearing their metaphorical blue hats, the groups were asked to summarise their deliberations and emerge with

some practical pointers for how to solve key operational challenges.

Pain points addressed by the groups included the focus on profit rather than client experience in business performance metrics, challenges to scoping suitable tech due to the overwhelming flood of solutions available in the market, a lack of utilisation of business systems and data overloads that discourage business intelligence efforts.

Weighing the necessity of profit against the importance of client experience – some highlighted the importance of client-review data from third parties in performance measurement, among other data-driven transformations. When it came to scanning the market for a suitable solution, recommendations included a focus on best-in-breed, an integration-friendly mindset and a close relationship with suppliers.

On utilisation, delegates discussed the importance of defining and measuring the value of a system, and ensuring utilisation through a combination of training, flexibility and a healthy feedback loop between users, leadership and suppliers. And lastly, on the point of data overload, a popular solution was the establishment of a single dashboard that tracks relevant activity in real time. This would work if it was segmented by department and if training and engagement exercises were conducted regularly.

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# THE FUTURE IS CLOUD-NATIVE

Cloud-native technologies can support several key objectives on SME law firms' current agendas, says Kaden Smith, director of inside sales for EMEA at NetDocuments

**W**hy is cloud-native the way of the future? These solutions take optimal advantage of the cloud's elasticity and scalability and reduce dependency on infrastructure while providing work-from-anywhere capabilities. In other words, cloud-native technologies support the modern work environment in an ideal way.

## WHAT IS CLOUD-NATIVE?

Cloud-native architecture and applications are built for and operate in the cloud. They take full advantage of the cloud model, including its scalability, elasticity, resiliency, flexibility, and security. The Cloud Native Computing Foundation defines cloud-native technologies as follows:

"Cloud-native technologies empower organisations to build and run scalable applications in modern, dynamic environments such as public, private, and hybrid clouds. Features such as containers, service meshes, microservices, immutable infrastructure, and declarative application programming interfaces (APIs) best illustrate this approach."

From a practical standpoint, a cloud-native approach supports continuous innovation and responsiveness, both in the application itself via

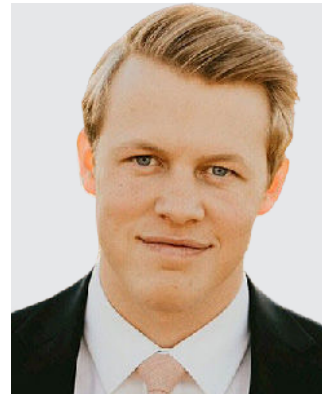
iteration and feature development and in what the application achieves for a business. Cloud-native applications enable firms to move quickly and with agility.

## BENEFITS OF GOING CLOUD-NATIVE

While resources may be required to make the transition to cloud-native software, the investment pays off in multiples. Let's take a closer look at the many benefits of going cloud-native.

**Be more resilient.** The nature of the complex modern world is unpredictable. Infrastructure outages occur for a variety of reasons, ranging from cyberattacks to weather events to natural disasters. Every organisation can expect to experience an outage at some point. Because cloud-native applications are architected with redundancy, they don't depend on on-premise infrastructure and continue to function as normal even during an infrastructure outage.

**Move quickly.** The cloud supports agile development and deployment. Cloud-native applications are continually being improved and updated with new features, empowering



businesses to quickly benefit from rapid innovation cycles. Greater technology capabilities improve every business.

Additionally, having the flexibility of the cloud allows you to adjust the amount of storage and computing power needed more easily than on-premise, server-based environments. Having applications that are built to best take advantage of this flexibility is critical. On-premises apps that have simply been moved to the cloud will rarely, if ever, have the same performance or capabilities as cloud-native ones.

**Be more productive with less downtime.** Cloud-native solutions deliver software updates automatically. For this reason, firms can “set it and forget it” when it comes to updates, saving IT teams time and effort, freeing them up for more high-value tasks. And because updates are completed via a continuous delivery and deployment methodology, users experience much less downtime.

**Gain peace of mind with standards-based flexibility.** Cloud-native applications are highly flexible because they are standards-based. This translates to easy portability — you’re not locked in with a vendor because your data is stuck within the application.

## WHY CLOUD-NATIVE IS THE FUTURE

Organisations are moving to the cloud to benefit

from its many capabilities, including its ability to effortlessly connect remote workers and its cost-effective delivery of near-unlimited storage and computing power. The cloud efficiently supports competitive advantages, including hyperautomation and machine learning.

Durgesh Sharma, chief information officer of Littler Mendelson, had this to say about the trend toward cloud-native as a requirement in organisations:

“This isn’t about organisations requiring the use of cloud-native solutions – of course, anyone building from scratch at this point is developing natively. It’s that cloud-native solutions are winning the race to meet the immediate demands of consumers, including true scalability, seamless integration opportunities, compliance with data-sovereignty laws and other local regulations, and the ability to bring solutions to market quickly. On-prem technology vendors that are supporting their current products and simultaneously trying to build a cloud solution are naturally going to lag behind, and the user experience could suffer because the vendor’s resources are stretched too thinly.”

To position your firm effectively for the future, seek out cloud-native solutions when making IT investments, and be sure that the solutions you choose seamlessly integrate with one another. Ensure that the technology partners you are selecting have deep expertise in cloud solutions in order to best leverage its additional capabilities and efficiency gains. **LPM**



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# SURVIVING AND THRIVING

The near future for SME law firms is one of effective financial planning, smarter working cultures and data-driven decision-making, says Lauren Watson, VP for legal partnerships at Legl

Hearing from management teams about the effect of technology in retaining key staff members was one of my key takeaways from the fantastic LPM conference.

I'll confess that I often get wrapped up in the productivity and efficiency gains of leveraging technology, without thinking about the wider cultural impact of enabling lawyers to focus on the substantive work that they enjoy – rather than getting bogged down in the admin and back-office work.

It was hugely positive to hear directly from firms how their staff are happier in their jobs, by virtue of having more time to focus on what they enjoy doing the most (with a bit of help from technology to achieve that outcome).

The conference provided a great platform for a frank and open discussion of the key challenges facing law firms today, shown below as four takeaways:

## UK ECONOMY AND IMPACT ON LAW FIRMS

Slow economic growth coupled with high

inflation and a cost-of-living crisis will affect law firms, their staff and their clients alike. While some practice areas are counter-cyclical in nature (think insolvency and restructuring, or employment teams), others are likely to see an impact on the number of new clients and instructions. Work across practice areas like conveyancing has been slowing for months after the (often unmanageable) highs of the stamp duty holiday.

Firms need to prepare for the coming 12-24 months. The focus areas we discussed include:

- Effective cashflow management (reducing lock-up, improving invoice payment times, effective invoicing processes, and credit control)
- Tracking key performance indicators and metrics as leading indicators
- Retaining key staff members while building effective company culture ensuring that technology is deployed as effectively as possible to drive ROI to the law firm and to maximise 'wins'
- Tighten compliance and risk management processes to ensure that new clients are vetted



for their financial risk while monitoring policies/controls/procedures.

## DATA AND INSIGHTS

Management teams are seemingly struggling to both capture and harness the right data, as well as define the priority metrics to track and measure. The following metrics enable better forecasting and understanding of the challenges and opportunities within your business:

- **Speed of transactions.** Understanding how long it takes for your teams to open new files, work with new customers and progress work through each stage can deliver better budget allocation and dramatically improve processes to speed up transaction times.
- **Cashflow.** Creating a deep understanding of the firm's lock-up, the effectiveness of your invoicing and credit control processes, knowing how long it takes your firm to get paid, and deploying better processes to enable you to recover that money faster, unlocks more cash on your firm's balance sheet.
- **Customer satisfaction.** Net promoter scores or a simple grading system can give you a better understanding of your customers to drive new customer acquisition.

## HIRING

In this highly competitive market, management teams are restricted by budgets and often can't compete with the larger national firms that can offer large salaries. Firms need to align on their hiring strategy at the management level and focus areas include:

- Leveraging social media platforms like LinkedIn to drive awareness of the opportunities at the firm and the firm culture
- SME firms will have to offer different benefits

in order to attract the top talent – such as hybrid working, team away days, and company perks.

- The hiring process itself needs to be concise, clear, and quick, as many top candidates are interviewing at multiple firms simultaneously
- Demonstrating the firm's approach to technology, and how it makes employees' lives easier during the interview process can be an effective 'pull' lever for winning top candidates.

## RETENTION

There were a range of retention issues discussed at all levels within firm – from the recently qualified to more experienced lawyers.

- Every law firm we met had invested time and energy into creating a hybrid-working model that is effective for retaining key talent. The onus is on firms to regularly update these practices
  - Taking the temperature on staff satisfaction could be a meaningful way to get direct feedback about employees' likes and dislikes about the firm's working culture
  - Developing the firm's culture and identity was key to creating lasting relationships with top talent in the firm
  - Investments in key technology to reduce admin, manual data entry, duplication of tasks, and effective task management had the benefit of keeping staff happy and satisfied in their jobs and highly productive. Ensuring that the firm has the tech to support lawyers with back-office work frees them up to focus on substantive work with a true work-life balance culture.

A big thank you to the team at Burlington Media for organising such a fantastic conference, to all the management teams at law firms who attended, and who were so open about sharing challenges, opportunities, and learnings. We'd love to hear more about your key takeaways from the event. **LPM**

## ABOUT US

**Legl** is a modular, data-first platform for modern law firm operations that automates onboarding, compliance and payment processes, drives operational efficiencies and improves the client experience. Legl serves over 170 mid-market and top-tier UK law firms, and has supported the delivery of legal services to over 100,000 clients nationwide.

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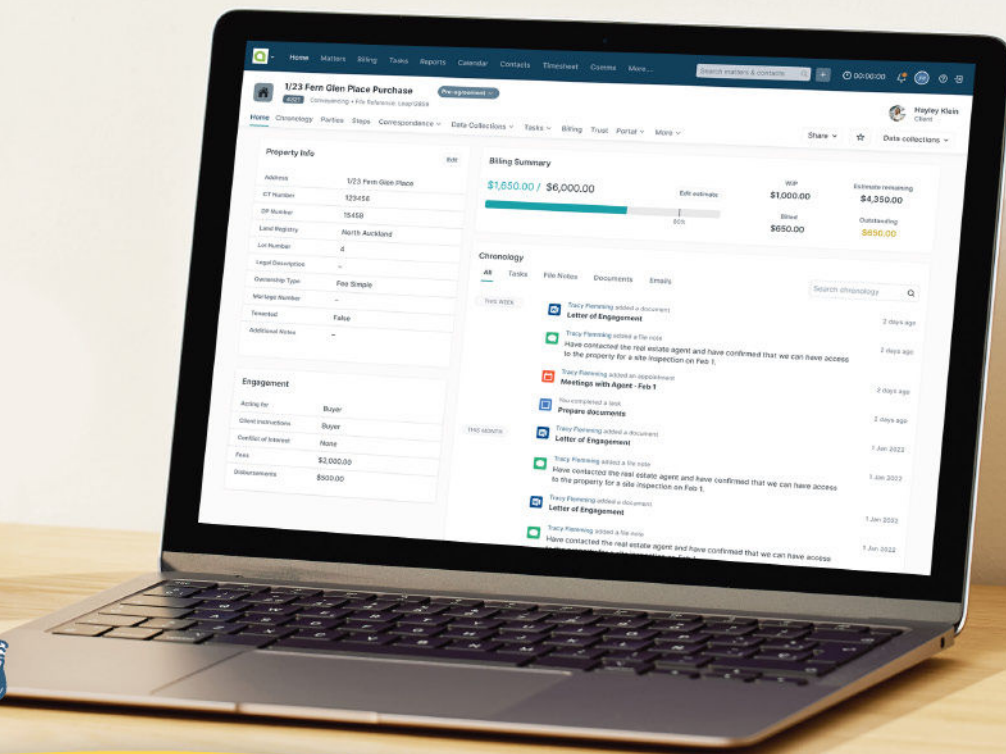


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# AHEAD OF THE CYBER CURVE

Cybersecurity was among key concerns discussed at LPM Conference 2022, and CTS's business development manager, Aaron Nesbitt, offers tips on how firms can shore up their operations

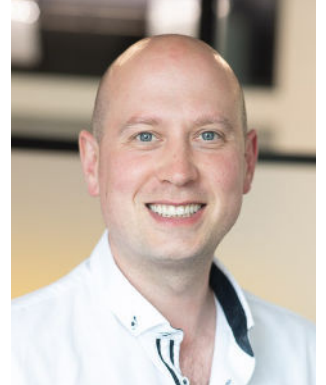
Many law firms are fluent in the language of cybersecurity, which is evident from the little investment currently being made in security and governance technology according to LPM Frontiers 2022. However, there's no doubt that law firm leaders still feel that there is room for improvement in order to combat the ever-increasing threats that they are facing.

A poll undertaken at the LPM Conference 2022 revealed that 72% of participants find cyberattacks to be a more significant threat now to their firm than in 2019. As the legal sector has adapted to a new way of working, adopting countless new technologies to support their hybrid working strategies, they have also introduced new cybersecurity vulnerabilities that could be exploited by threat actors who have also been adapting to the sector's new way of working.

The Solicitors Regulation Authority (SRA) released their 2022 Risk Outlook report at the beginning of June and explored the key types of threats that are affecting the legal market, as well as how they expect these attack types to evolve over the coming years.

Email-based phishing attacks are on the rise and were the most common type of attacks during 2021, with successful attacks installing malware, corrupting systems, or resulting in data, information or money being stolen. With our increasing reliance on email as our primary source of communication - there being around 320 billion emails being sent and received each day - it is no surprise that cyber criminals are using this format to conduct their attacks, as they have the ability to reach millions of users each day.

Ransomware is also evolving and proliferating. Rather than simply encrypting data,





cyberattackers are going a step further by threatening to sell or release this sensitive information publicly, as an additional pressure to get law firm targets to pay the ransom demand. Paying out is something that is currently being advised against as it does not guarantee that your data will remain safe, you're just potentially losing finances at the same time.

In addition to email, cyberattackers are looking at how they can infiltrate the new technologies that law firms have recently adopted to promote agility and flexibility in this new age of working. For example, the increase in artificial intelligence (AI) tools used by law firms means we may see AI systems compromised, with intelligence decisions or recommendations being altered to benefit criminal ends. Furthermore, software that handles monetary transactions, such as smart contract or billing systems, is also increasingly at risk.

Ultimately, it is vital that law firms have the right tools and solutions in place, have the support of a specialist they can trust, and create a company culture of security to keep their confidential data protected.

## BEATING THE BREACH

CTS recommends considering the following practices to safeguard your firm against a data breach:

**1.** Email security and monitoring help to ensure that all communications and the information within them stays confidential as well as helping

to avoid data leaks that may occur from a phishing attack or even human error.

**2.** Because of the ever-increasing number of endpoints on modern networks, it's becoming increasingly difficult to fight against advanced attacks that enter through these devices - traditional antivirus software is no longer enough. Endpoint detection and response can cover the gaps that antivirus cannot.

**3.** Password theft is common, and end users should be guided to follow best practices for passwords, such as varying them from account to account, using phrases, and using multi-factor authentication to provide a second layer of security.

**4.** There is an undeniable link between basic cybersecurity knowledge and the mitigation of breaches - it is vital that your end users undergo continuous training to keep abreast of the ever-evolving threat landscape.

**5.** Partnering with a specialist managed service provider (MSP) gives you the reassurance that they are experienced in dealing with the unique auditing and compliance requirements of the legal sector, in addition to the non-sector specific, yet just as significant, regulations such as GDPR.

Law firms, of course, recognise that investment in cyber protection is critical, but many solutions can be expensive to implement and complicated to manage. Act now, speak to a legal specialist, and ensure that your firm remains protected now and in the future. **LPM**

## ABOUT US

CTS delivers IT services that transform the user experience and operational success of law firms and barristers' chambers, both day-to-day and in the longer term. We focus only on the legal sector - understanding its needs better than others - and shape our services around its unique requirements.

[www.cts.co.uk](http://www.cts.co.uk)



# OLD DOG, NEW TRICKS

Paul Longhurst, director at 3Kites, details his journey at LPM Conference 2022, from being sceptical of its format during initial conversations to sharing his years of expertise at length with a set of engaged leaders from the SME legal community

In this case, as in so many nowadays, I am the old dog continually learning new tricks, usually from talking about client engagements with my colleagues in our monthly get togethers or from our mid-month scrum calls that Teams so dramatically improved during lockdown. However, the new tricks here were courtesy of LPM at its conference on 4 July, which also happened to be 34 years since I started as an IBM mainframe systems programmer at Allen & Overy in 1988 - I was really quite technical back in the day.

As someone with experience of many different conferences during the years I have worked in Legal IT, from Glenlegal in Scotland to LegalTech in New York and most things in between, I felt I had a good handle on what works well for 3Kites. Good content from knowledgeable speakers, the opportunity to showcase our experience where

we can and, last but not least, networking in the bar at the end of a long day. Sleep, repeat and then home. And so it has been for most of the events I have attended with few exceptions, and none where the industry decided to permanently change direction.

So cut to the late spring and early summer of 2022 and Sarah Cox, co-CEO at Burlington Media, is pitching the event format to me. At least twice, I'm being the old dog at this point. She tells me there will be a limited number of speakers, none of which will be sponsors. Our role is to facilitate conversations about various topics, partly set in advance and partly chosen on the day, for a rolling group of attendees that will move around the 15 to 20 tables that are in the main hall. I wasn't convinced, but I am open to new ideas so we signed up and put our faith in Sarah and her dedicated team.





There are meetings and debates along the way as topics are firmed up. I rail against having a session with just five 'thinking hats', which was the format on the day, when there were originally meant to be six. The one that was excluded was the 'gut-feel' red hat, which I use in so many of our client workshops to elicit people's instinctive feelings where logical justification can obscure a nameless challenge to success. Time was only allocated for five so on we went although, in truth, I sneaked the red hat in anyway and it worked as well as I thought it would.

The day of independence arrived, and we at 3Kites raised a toast to celebrate our own independence from suppliers – it's an article of faith for us that underpins our commitment to excellent service for our clients, so forgive me if I make a song and dance about it. On this particular 4 July, we rocked up to the venue in Cavendish Square. It is a great location – small enough to be intimate but big enough to allow an easy flow from session to session without being hemmed in, and there's even a courtyard that allowed the early summer sun to make an appearance throughout the day.

There was time for discussion over tea, coffee and pastries before moving into the main hall, which has been colour-coded to guide people to the first facilitated sessions. It was simple but

logical, and also led to ice-breaking as people join their first table of the day. After an introduction from Aftab Bose, editor at LPM, we heard from an economic adviser. I was transported back to an insolvency and restructuring event in 2009, where a banker told the assembled throng that things were bad (some murmuring but no more) and were definitely going to get worse (the place erupted). I sat with my colleague Melanie at the back of the hall pondering what to do when 3Kites went out of business – we're clearly made of sterner stuff than that though!

So on we went to the facilitated sessions. Surely you know the outcome by now and it wasn't that my concerns were founded. No, I met a succession of interested and engaged individuals from various law firms up and down the country who were unfailingly interested in the topics we discussed, happy to listen to my input from working with more than 130 law firms of all shapes and sizes and even polite enough to laugh at my awful jokes (even the kids have given up the pretence of smiling at these, it's just the dog and me that seem to appreciate them at home).

My assessment then is that the approach works, at least on the day. For now, this dog is happy with its new trick! **LPM**

#### ABOUT US

**3Kites** delivers clear, independent advice, strategic direction and project leadership to law firms of all sizes. Our 'Fractional IT Director' service provides experienced IT leaders to firms that don't require full-time IT leadership but which nevertheless want seasoned input to guide a technology roadmap aligned with business strategy.

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# TECH, TALENT AND THE FUTURE

Actionstep's UK regional director, Oliver Tromp, reflects on key topics deliberated at LPM Conference 2022, which includes the growing role of legal tech in solving key operational challenges in the SME legal space



Did you catch LPM Conference 2022 earlier this year? Celebrating its 10th anniversary, the conference brought together more than 60 leaders from top SME law firms in the UK. I was there with Actionstep's senior account manager, UK, John Gomez to take it all in throughout one action-packed day in London. Read on to learn our top takeaways.

## CONVERSATION AND COLLABORATION

Rather than long-form presentations by speakers, LPM 2022 had a different format that placed the focus on facilitating conversation and collaboration among attendees from SME law firms. The conference featured a variety of problem-solving sessions, roundtables, and discussions designed to boost interaction, peer-to-peer learning, and participation.

After two years of upheaval brought on by the global pandemic, including some of the most intense changes and challenges ever faced by

the legal industry, this 'un-structured' event structure was very welcome. It gave LPM attendees a chance to mix, share ideas, and reconnect with each other as a community.

The sessions highlighted many issues facing the legal industry at present, from change management to data privacy to human resources to operations.

## CONTINUING CONCERN: TALENT RETENTION

The current labour shortage continues to be an enormous issue for the legal industry worldwide, so it's no surprise that it was the most prevalent theme and concern among attendees at LPM 2022. Retention kept surfacing throughout the day, and discussion sessions focused on the different dimensions to solving this problem, including:

**Branding, messaging, and social media in recruitment.** Law firms can effectively utilise branding and social media to differentiate





themselves to candidates, but it's also vital to be transparent about their identity so recruits truly understand the culture they're joining.

**Five generations in the workplace.** The variety of needs and expectations among different generations currently working together at many law firms poses a unique challenge when it comes to employee retention. It's important to consider the nuances among the generations at your firm to ensure everyone feels considered and included.

**Culture concerns.** Law firms are finding that it's more important than ever to foster a positive team culture and have flexible benefits. This might include adopting open plan offices, flexible or hybrid-working options, an emphasis on healthy work-life balance, and truly competitive pay. At the same time, firms are finding that structure continues to be crucial to keep work moving forward.

**Technology's role in retention.** Up-to-date technology has become increasingly significant in delivering a stronger employee value proposition. Potential employees expect flexibility, and firms are finding that they must have the systems that enable it, such as cloud-based practice management platforms that make hybrid work possible.

## THE GROWING ROLE OF LEGAL TECH

One notable finding that arose at LPM Conference 2022 was that law firms only tend to realise a small share of the value available from their business systems. But with lawyers in short supply, law firms are seeing the need to make the most of these systems. They're looking at ways they can do more with less and ensure their staff's time is focused on high-value work. Legal technology can go a long way toward helping firms become more efficient and effective by automating key administrative tasks, from client/matter management to document generation, to billing, to time tracking. Lawyers and staff can focus their time and energy on what they're best at and what really matters: helping their clients.

Legal tech solutions can't solve the current talent retention problem on their own, but practice management software can maximise the value that firms gain from their existing staff – and improve their employee experience. In turn, this can help firms retain employees over the long run.

## READY TO MOVE YOUR FIRM FORWARD?

LPM 2022 is over for this year, but you can still learn about streamlining your law firm's processes by getting in touch with our team. **LPM**

### ABOUT US

Combining CRM, matter management, document assembly and management, time and billing, trust and office accounting, reporting, and more in one cloud-based software platform, **Actionstep** is a fast-growing, dynamic SaaS business with a global customer base and team, specialising in the delivery of legal practice management software to mid-size law firms around the globe.

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