

Briefing

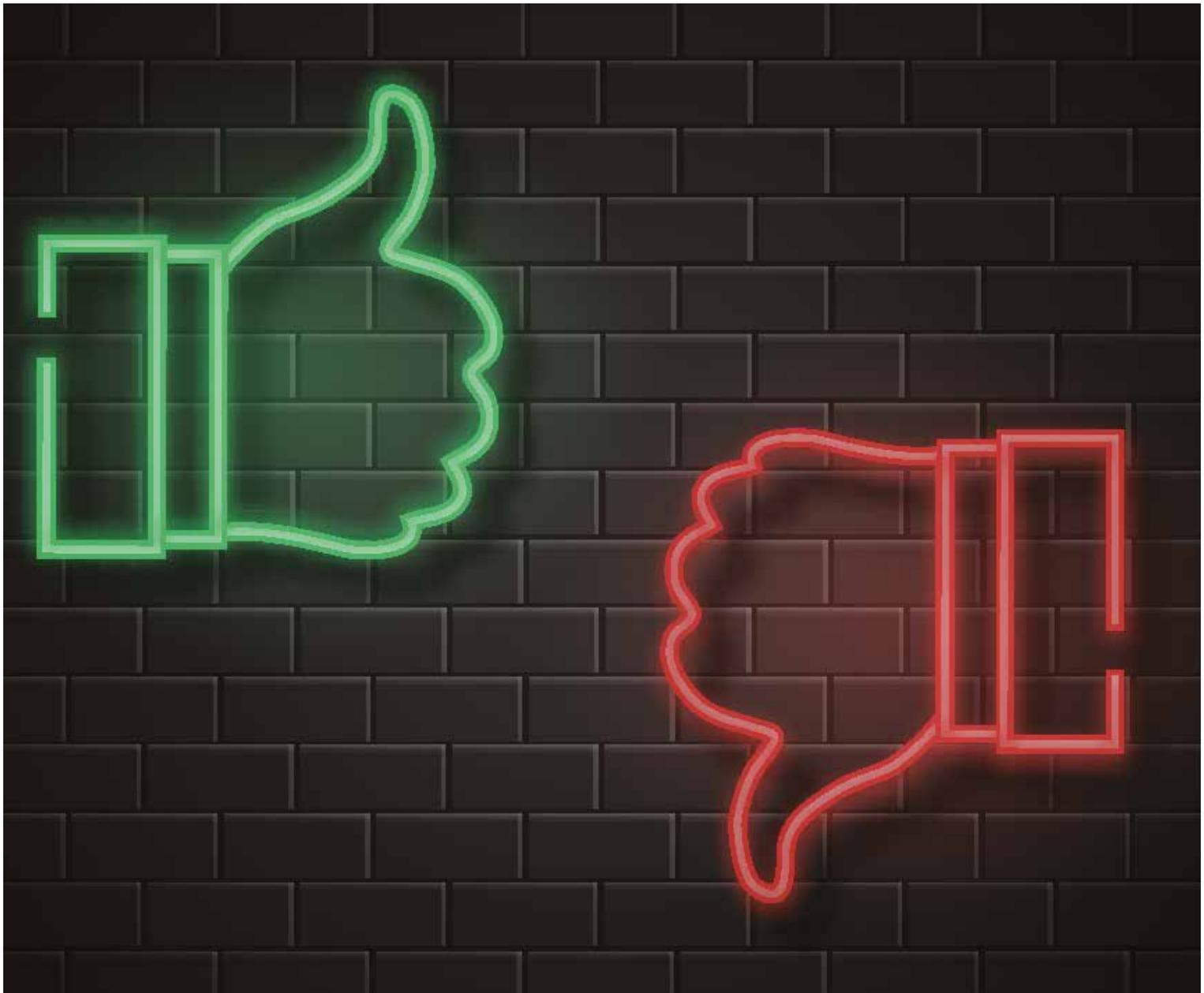
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SMARTER LEGAL BUSINESS MANAGEMENT

WARE CHANGE
Jessica Burston at Royds Withy King
on her transformation journey

GROW FIGURE
Mills & Reeve on managing greater growth
and boosting practice management

NET EFFECTS
The knowledge team at Osborne Clarke
on internationalising their intranet



In-house special

*Many law firms want to be considered innovative.
But what do their clients think of that?*

The status quo paradox



Eric-Jan van Alten, sales director, EMEA, at Aderant, says firms may have heeded their clients and started to change, but they shouldn't quit while they're ahead

The 2018 Aderant Business of law and legal technology survey finds that over half (57%) of business services roles feel “better” – some “much better” – about their law firms than they did just 12 months earlier. It's undisputed good news – especially as just 36% said the same back in 2017.

However, firms that are finding conditions more favourable mustn't risk relaxing into uncompetitive complacency.

Inaction now may cost them, says Eric-Jan van Alten, EMEA sales director at Aderant. “Many firms find themselves at a crossroads today. They've already seen a lot of change pushed onto them. Now they need to decide whether to press ahead with further transformation in different respects – to push past the status quo. Those that don't may be at risk.”

Unfortunately, change itself all too often feels like the greater business risk. “Some use external change as an opportunity to change with it, some

are more or less in denial, but others see it as a real threat,” he says. “Law firms are traditionally conservative businesses, which is understandable. Lawyers have been trained from the outset to be risk-averse in their decision-making. But our message is that firms must become more comfortable with feeling uncomfortable.”

Operation efficiency

In time, perhaps the rise of certain ‘non lawyers’ to positions of greater power in the partnership may make a difference to the prevailing appetite for change. CIOs, COOs, and heads of growing business disciplines such as pricing and innovation, are all increasing their influence.

For the moment, however, Aderant's research found effective pricing was the biggest operational challenge facing firms – equalled only by the fast-changing sphere of risk management in the face of sophisticated cyberattacks.

Thereafter, it's “technology adoption” and



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“operational efficiency”. The one, of course, can help to drive the other – and it’s here, says van Alten, that the most immediate opportunities lie.

“It has been a theme for a long time now, but a key area for potential improvement is the WIP-to-cash cycle. Billing, for example, is one of a firm’s most unnecessarily time-consuming operational activities. Many still conduct their billing process on paper, and by digitising they could save entire days.”

With the status quo, the simplest bill to process – which could be the fastest – takes as much time as the slowest, he says. It’s easy to see how automating aspects of that procedure would lead to faster categorisation, and therefore more efficient collection of cash.

Back and front

Automation can also be applied to variables such as outside counsel guidelines. Programme them into the billing system, and you can efficiently anticipate compliance problems instead of waiting for bills to bounce back.

And there are further gains to be made at the ‘front end’ of fee-earner productivity. With agile working, for example, a lawyer can both capture billable time and initiate billing on the move, instead of back in the office. “Mobile devices can give instant access to a full range of business intelligence, matter forecasting and even pricing tools,” says van Alten. “These were once for finance teams, but are now offering lawyers elements of self-service.”

Even this is unlikely to be as efficient as it might be, however. “Fee earners may have access to plenty of systems, but the systems often aren’t connected to allow a single view and point of entry, but with an opportunity to view information from multiple angles.”

And all of these areas become more complex with increasingly international clients. Firms must factor in the e-billing preferences of different jurisdictions, not to mention catering for the variation in currency, tax and language.

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Roles with it

However, it’s not just technology that can take you past the status quo. Even if it’s supported by a system, an innovation can just as soon be a new behaviour or service option. And automation projects like those outlined are paving the way for new career paths in law firms. Skills can be deployed in different combinations – and to more profitable effect.

“Aside from tasks such as time entry, in the past our systems were mostly for firms’ finance teams,” says van Alten. “Today, some data entry can be automated – more is taken on by the lawyers, and the support team can afford to be less administrative and more analytical.” The power of that change could be applied to a particularly challenging area – such as pricing.

But of course, any big change needs management – it makes people feel more comfortable and minimises risk. “To measure is to know,” says van Alten. “Measure everything possible to check the business is changing at the pace and in the places you planned. A bigger change will also feel more painful. Think big – see the end goal on the horizon – but realise you may need to start with smaller steps.

“And remember to involve all stakeholders – not just those ‘in charge’. The most important stakeholders in a billing process might be the secretaries doing most of the work each month. The most successful implementations are the most inclusive ones.”

In short, when it comes to transformation there can be a safety in numbers. Perhaps that’s the push firms need to maintain momentum and leave their change-fearing days behind them. ▀