

Legal Sector Breakfast Briefing

27 September 2022

Legal Sector Breakfast Briefing

Welcome & Introduction

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Armstrong Watson

Legal Sector Breakfast Briefing

10:00 - Welcome

10:05 - Briefing

11:00 - Q & A

11:30 - Close

Agenda

- Introduction: Carton & Co – Associates, Clients, Business Partners
- Key Practice-wide themes to explore and address
- Your feedback – Questionnaire and a few polls here
- Compare & Contrast feedback from other lawyers
- Context: Past, Current, Future
- Our approach to a game plan – make all the parts work together
- Tackling main stumbling points /opportunities
- Further questions and discussions

Allan Carton

- Specialist advisor to law firms and legal sector for 25+ years.
- Solicitor in private practice before then.
- Helping lawyers and their management teams make the most of new opportunities.
- Developing clients, business operations, service and relationships to retain and attract high calibre employees and clients.
- Backed up by a team with specialists in:
 - Technology
 - Business Development
 - Compliance
- Working alongside selected business partners.

Working with Law Firms & Legal Sector



KEYSTONE LAW



JbLeitchSolicitors LLP



To deliver on your game plan

- **Co-ordinating management** – a challenge even with the best people in place.
 - Balanced scorecard, linking strategy to **consistent, co-ordinated execution**.
- Delivering more value
 - **“Always on” listening, responding**, building, testing – agile projects
- **Project management** skills and tools – for all in different ways
 - MS Teams, Planner and Project to manage implementation, communication
- MI and **Dashboards** for projects and sales too
 - Power BI and others
- Using **intelligent automation** – capture data, centralise, make it accessible, keep it current for process, marketing, finance, sales ...
 - Onboarding, **automated capture, enrichment** and sharing
- People Skills and development – retention & recruitment
 - Ability to develop “O-Shaped”, **with emotional intelligence**

Challenges: feedback is hard to gather



Despite receiving feedback through multiple formats, the core challenge remains the 'top of the funnel' - getting enough feedback data in one place so that insights can drive actions.

Survey question: What challenges does your firm face when it comes to using client feedback and data?

Volume

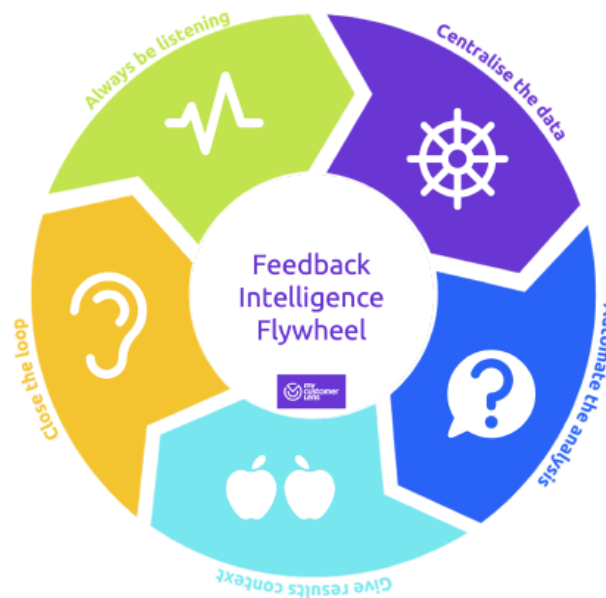
71%

not collecting enough feedback from clients

Alignment

31%

it's hard to link feedback to business outcomes



Collection

57%

people not sharing the feedback they've heard individually

Aggregation

60%

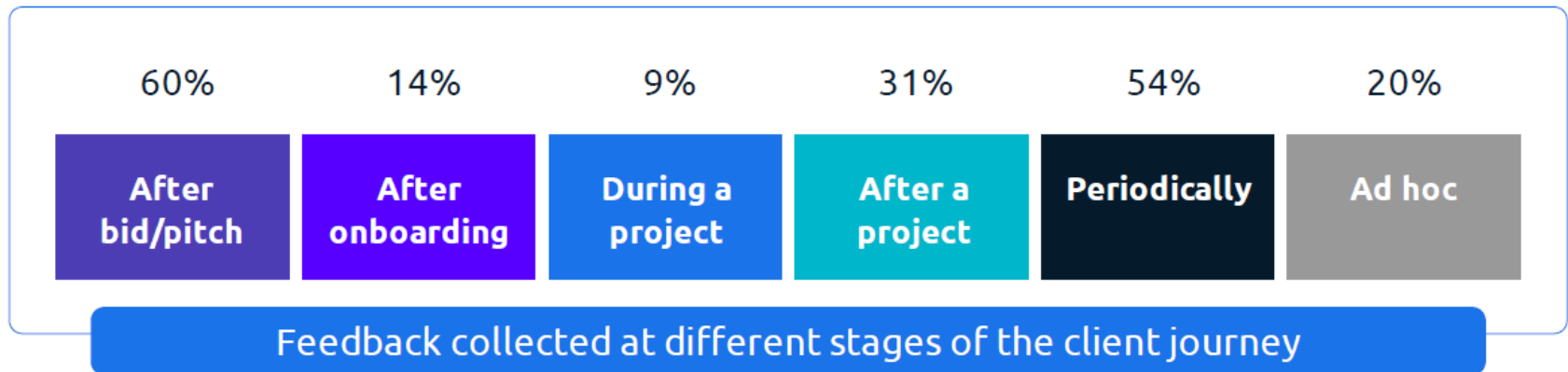
feedback data isn't combined in one central place

Timing: most feedback is retrospective



Most client feedback is collected at the end of a project, or periodically (e.g. annually) when it's too late to impact those experiences.

Survey question: When does your firm proactively ask for feedback from clients?



An example of how firms are looking to evolve

"Engagement for post matter surveys is pretty good (above industry average) but rolling out mid matter reviews for all clients would be good as well as having time to hold more independent (non-partner) client interviews."

O-Shaped Lawyers

Tomorrow...the role of the lawyer is to help the business **identify**
and capture opportunities through **legal initiatives**.

It's about the business.

"someone who understands
the commercial opportunity,
restrictions, complexities,
then apply legal know-how"

"I want someone
who will educate
me - show me a
better way"

"I want someone
who is a real
business partner
- helping me
think about how
to create value"

"I just want to know the business
answer - not the legal answer"

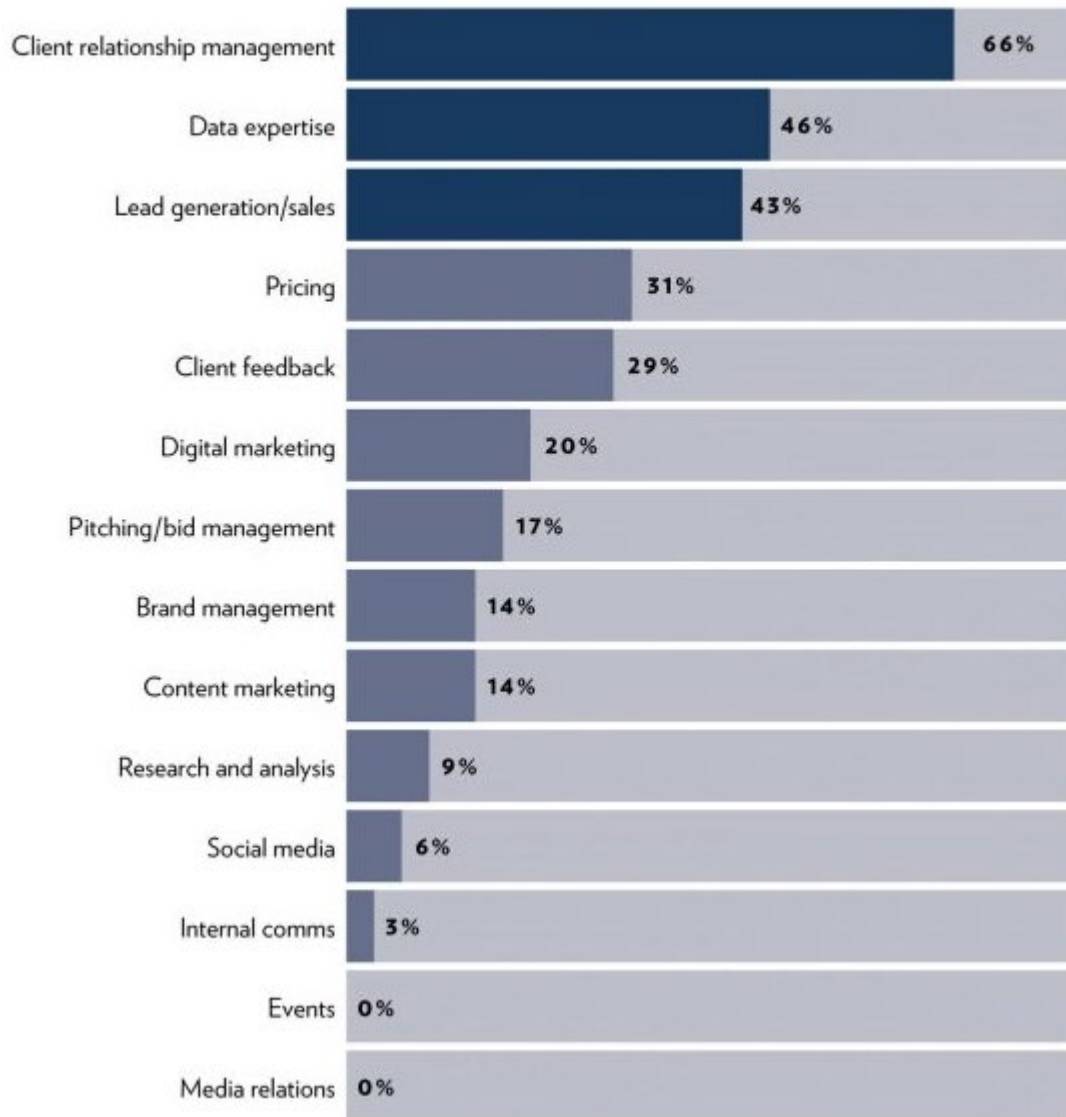
To support this, our Tech Partners include ...



UPPERSIGMA



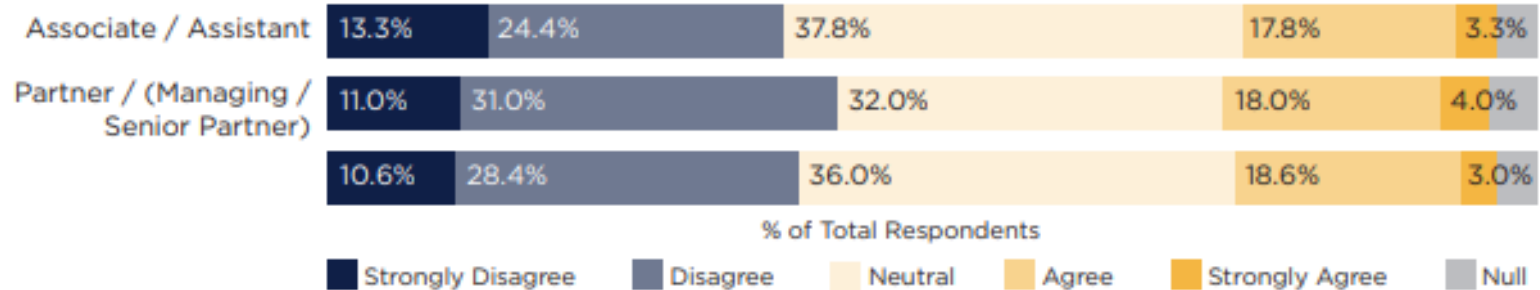
Which capabilities, if improved, do you think would deliver the biggest overall business impact at your firm?



[Source: Briefing - Tech Frontiers Report, 2022](#)

Collection of data to support AI initiatives, 2020

Figure Four: response by surveyed solicitors to the proposition: 'my organisation captures data effectively'



Source: Sako, Armour, and Parnham (2020)

*Total includes all complete responses from respondents working at Law Firms.

Table Five: selection of lawtech incubators / accelerators, which support AI lawtech companies

Name of entity	Supported by	Incubator or accelerator?	Estimated legal technology cohort size
Barclays Eagle Lab (legal technology-only cohort)	Various, including Law Society	Incubator	18* (in 2019)
Collaborate	Slaughter and May	Incubator	13
Deloitte Legal Ventures	Deloitte Legal	Incubator	14
Fuse	Allen & Overy	Incubator	22
MDR Lab	Mishcon de Reya	Accelerator	18
Scale LawTech	PwC	Incubator	16

Source: Sako and Parnham (2021a)

Frontiers biz futures in brief



PUSH HERE FOR CHANGE

66%

Of leaders say 'maximising productivity' gets most attention from the firm's senior stakeholders when it comes to IT strategy/investment – easily the highest-ranking factor!

THREE TECH AREAS TO FOCUS ON FOR HIGHER 'HYBRID' PRODUCTIVITY:



TWIN PEAK CHALLENGES FOR THE FIRM OF 2022

Investment in client-facing tech (dealing in data or docs)

Retention of potential top talent

OFFICE WORK IN PROGRESS ...

75%

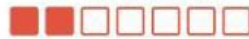
Of law firm leaders say firms are in the process of 'repurposing' shared workspaces



HOW'S THAT HYBRID WORKING OUT? PRIORITIES TO TACKLE NEXT

- 1 Greater/better AV for an equal experience in different spaces
- 2 Guidelines for managing more efficient meetings
- 3 More training + iterative development + change management push on existing tools

WHO'S COUNTING?



2

Average number of days per week leaders expect people will be in an office the firm pays for

TRANSFORMATION OF SPENDING POWER?



Little change in tech investment as % of annual revenue (cash for solutions AND skills)

TOP RESPONSES ON HOW TO ADDRESS EMPLOYEE WELLBEING IN 2022:

'Stop worrying about who is working where'

'Tech time-outs'

'Change the incentives for success'

Q1 - How are you using CRM?

- A. No system in place yet
- B. Have one, but not used
- C. Available but used primarily by our marketing team
- D. Used by the lawyers and the marketing team, but inconsistently
- E. Used routinely by all to manage client business client accounts
- F. Used by all to manage business and private client relationships

Past, Current, Future

- Hybrid working – for you and your clients
- Centralised, accessible data for analysis – acted on?
- Accelerated tech and automated intelligence development
- Changing client expectations (convenience, price, range of services)
- Different expectations of Y & Z generations (from email to work environment)
- Drive to net zero – ESG
- Financial pressures to increase profit (or are we comfortable?)

- So many SME acquisitions!
- Feels like too much to handle?
- Need to compromise and prioritise your plans, your practice

- Still the same people
- Relationships at least as important as ever (rarely handled well)
- Still want to meet face to face when it matters

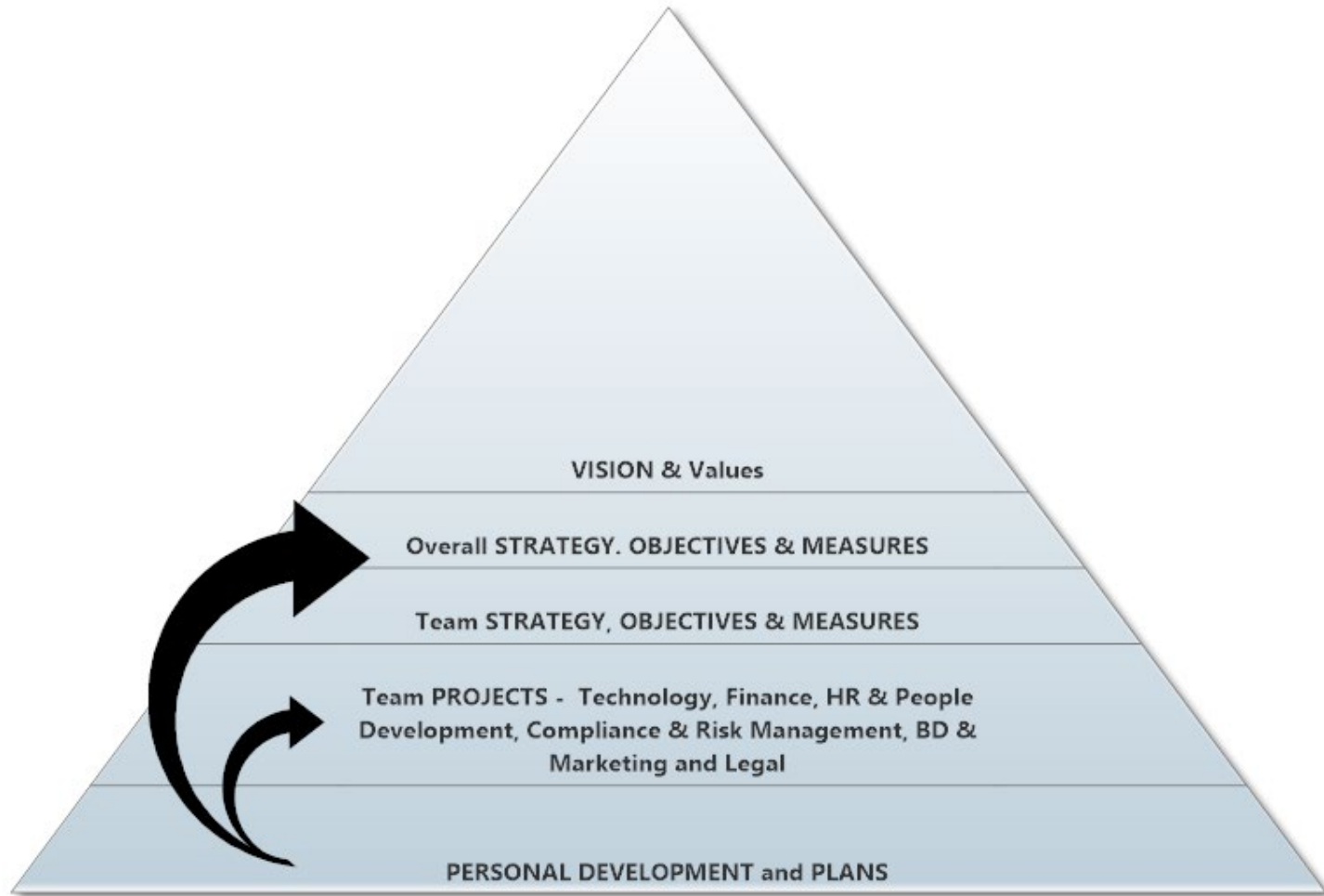
Q2. Which ONE of these has made **the biggest impact** on your thinking about future plans?

- A. Hybrid working – for you and your clients
- B. Accelerated tech and automated intelligence development
- C. Changing client expectations (convenience, price, range of services)
- D. Different expectations of Y (millennials) & Z (digital natives) generations (from email to work environment)
- E. Drive to net zero – ESG
- F. Financial pressures to increase profit (or are we comfortable enough?)



Making Sure The Game Plan Works

Keep it simple, cascade consistently, manage projects



One-page strategy document per team

Based on
Balanced
Scorecard

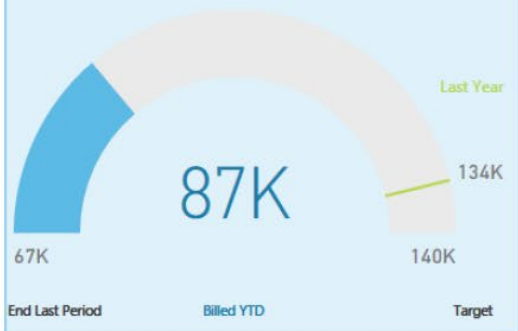
OBJECTIVES	MEASURES
<u>Financial</u>	•
<u>People (Learning & Growth)</u>	•
<u>Operations</u>	•
<u>Clients & Referrers</u>	•
PROJECTS	
CRM Onboarding, data capture and management Developing O shaped lawyers Dealing with omnichannel MI Dashboards – practice wide	Detail in MS 365 Teams, Planner or Project to manage Projects

MI for Finances ... of course – always on.

Whole Firm Commercial Company Commercial Dispute Resolution Employment Family Probate, Trusts & Tax Residential Property

Dispute Resolution

Fees Billed v Last Year and Target



Figures for Current Period

Time Booked	Fees Billed	Target Fees
33,214	20,104	35,875

WIP	Debtors	Disbs	Expense
264,410	144,490	22,547	0

WIP Over 3 Periods

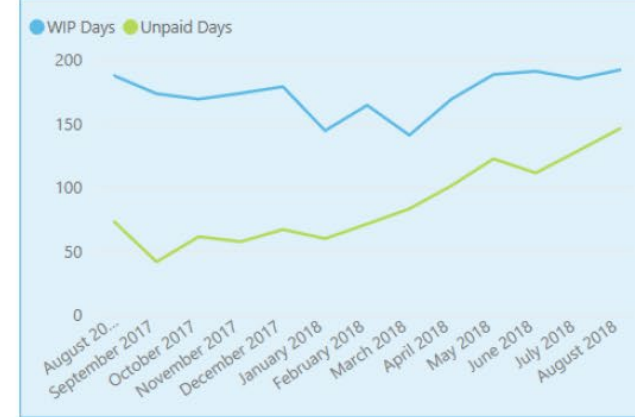
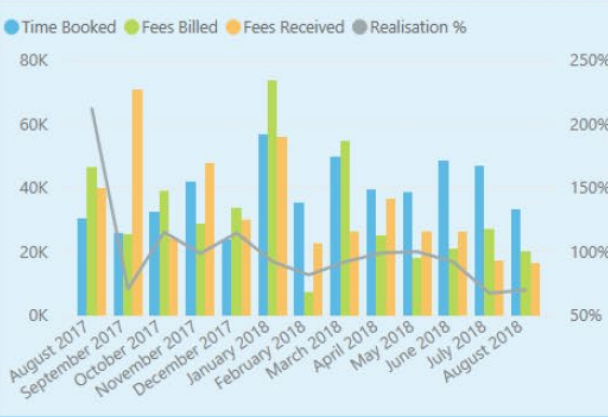
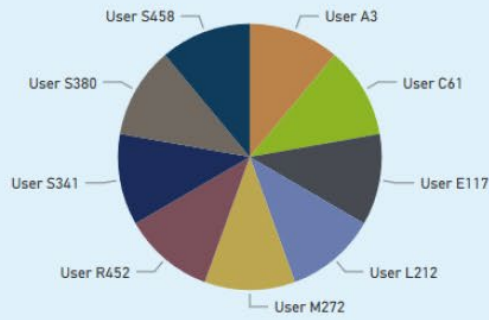


Debtors Over 3 Periods



Longer Term Trends

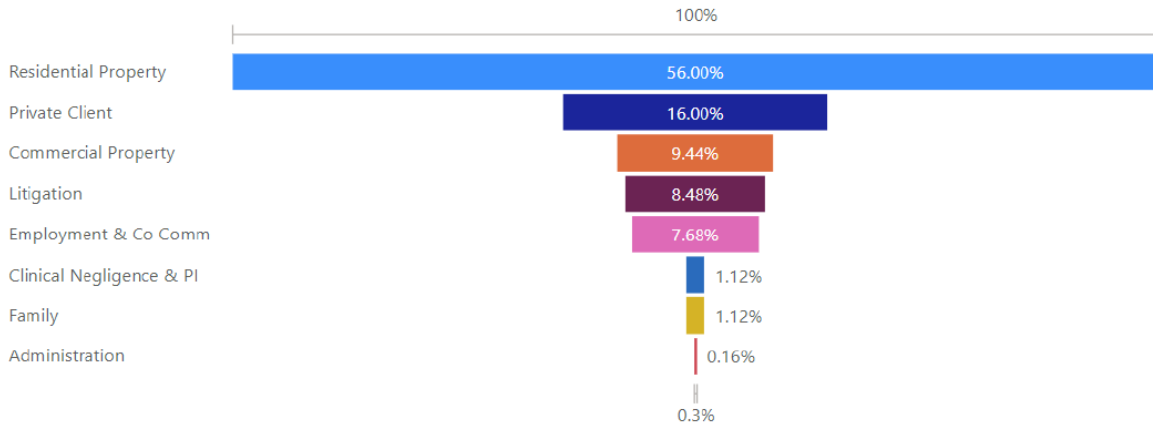
Select Fee Earner



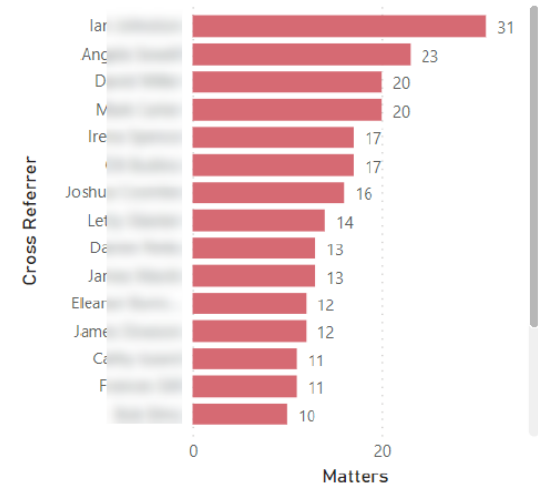
But across the practice too

Referrals

% of Matters and Cross Referrals by Matter Department



Top 20 Cross Referrers by Matter count



Fees Billed from Cross Referrals by Matter Department

Year	2018		2019		2020		2021		2022		Tc
	WIP	TFE Fees Billed	WIP	TFE Fees Billed	WIP	TFE Fees Billed	WIP	TFE Fees Billed	WIP	TFE Fees Billed	
Matter Department											W
Administration											
Clinical Negligence & PI											
Commercial Property											
Employment & Co Comm											
Family											
Litigation											
Private Client											
Residential Property											
Total											10

MS 365 Planner



Q3. How do you feel about running a pro-actively managed project-driven legal practice?

- A. Would not consider it in the foreseeable
- B. Would consider it but we don't have the skills
- C. We are gearing up to introduce more project management
- D. We already do



Questions

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Customer Domain

Business Domain

Legal Domain

Expected and a given

Fluency in business is critical to put legal advice into the right context

Intimate understanding of the customer is the differentiating factor in finding opportunities for the customer and the ecosystem they operate in

"strong technical capabilities and intellectual agility"

"Can analyse documents and think 20 steps ahead"

"Legal expertise is a given - you have to get the law right"

"Can take a giant pile of documents and analyse it thoroughly"

"A great lawyer is a business person with an expertise in legal"

"Lawyers see across the entire business - there is so many opportunities..."

"Do the commercial first, then the law"

"it's like a mini-MBA"

"Law schools should be teaching how a business works and soft skills"

"I worked with a lawyer who looked like a deer in headlights when I talk about EBITDA"

"Issues affect different parts of the business in different ways - you have to understand this"

"He was on-site all the time. Spoke with everyone and got to know their part of the business."

"great lawyer really wants to understand what the business does."

"I want someone who is willing to learn about my business - and I'm happy to teach them."

"My business has many parts - The law, the politicians, the public, and the press. There's a lot to consider!"

"I want to work with someone who understands my business. I understand this is hard, but I'm willing to invest"

"it's really important to go visit our sites to really understand our business"

"The incumbent firm always has an advantage to win more work - I would rather pay more fees to someone who understands what I'm trying to do"

Be Adaptable

The suite of skills needed to thrive in new and different environments throughout the legal career

- Courage - The skill to take action in the face of fear or uncertainty
- Resilience - The skill to recover quickly from disappointment or setback
- Feedback - The skill to seek out information to identify areas for improvements
- Continuous learning - The skill to apply new skills, techniques, and information into practice



Build Relationships

The suite of skills needed to build long-term connections with a wide range of people

- Empathy - The skill to understand perspectives and agendas of other people
- Influencing - The skill to change the actions or mindset of others
- Communication - The skill to deliver the right message to a given audience
- Collaborate - The skill to work effectively with people both in the short and long term

Create value through legal initiatives

The suite of skills needed to identify opportunities and find the best legal solution

- Identify the opportunities - The skill to see business opportunities in the face of legal challenges
- Solve the problems - The skill to find the optimal legal solution to a given business opportunity or challenge
- Synthesise - The skill to form sound judgements by combining information and determining its importance
- Simplify complexities - The skill to distill the most critical elements into an easy to understand form

What could good look like?

Looking at how we deliver services through the client's eyes is an integral part of our strategy. We did a detailed consultation exercise with nearly 100 clients to understand their challenges and **how they see the provision of legal services evolving.**

On the back of this we journey mapped our client experience and segmented the client base into distinct personas. **All members of the firm have had training on this and of considering client wants and needs.**

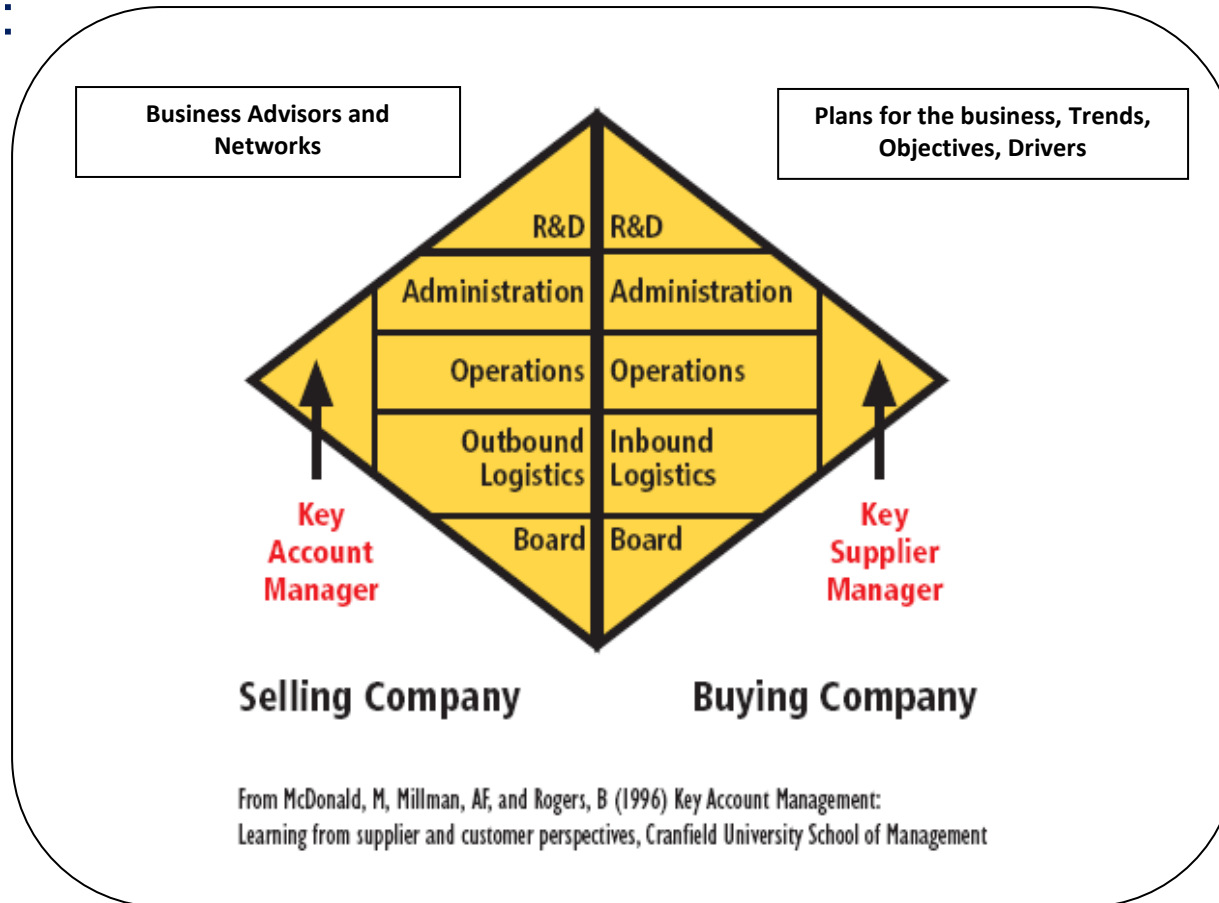
Client recommendation scores are a **firmwide KPI and feed into lawyer appraisals.** We are now refining our client journey in consultation with our clients, **looking at how we can make the experience better for them.**

This in turn is leading to **innovation in how we approach our processes, products, staff roles and responsibilities, pricing and service delivery.**

One firm's answer to how their client listening has changed

Think About Diamond Teams

.....to this:



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Questions and Conclusion

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