

Operational excellence – an underrated business tool

Janet Day and Tony Williams

The key to a law firm's success may not be what you think. Janet Day and Tony Williams show their appreciation for an unsung hero.

Law firms understandably spend time and energy on recruiting, developing, retaining and publicising legal talent, experience and expertise. It is the lifeblood of their business and, for many practitioners, the reason for getting out of bed in the morning. Lawyers aspire to excellence in legal practice.

However, most lawyers practise in global, large or regional law firms, and it is the operation of those firms which allows the excellence of the individual's legal knowledge to be properly and effectively disseminated in pursuit of their clients' needs.

Nothing frustrates the client more than not being provided with complete information – or a failure to communicate something critical in the right timeframe. Inevitably, if that does happen the lawyer looks for reasons – and frequently those reasons can be traced to the law firm management and operation and its inability to meet the business needs. To meet those needs the suppliers of a law firm's internal services must gain a clear understanding of what is needed and, more importantly, why it is needed. That understanding then underpins the proper delivery.

It is a symbiotic union – the merging of the law firm operation with the delivery of legal excellence. If it is regarded otherwise (eg, parasitic or non-contributory) then the seamlessly blended service offering to the client is diluted or even potentially non-existent.

Defining that symbiotic excellence means that the business service elements are regarded as integral to the strategic operation of the law firm. Keeping those who provide the infrastructure support in the dark merely means they can only ever be responsive rather than proactive in improving the elements of service delivery to meet the increasingly complex needs of a law firm. The proactive delivery of service support creates opportunities for doing business differently – or maybe just doing business somewhere different without costly and often complex delay.

It is regularly said during appraisal processes that nothing should ever come as a surprise to the

individual being appraised – so if they are poor at conducting meetings they should not hear that the first time during the annual performance review. Much is the same for a well-run firm. Obviously the circulation of some types of corporate information needs to be kept to a very close group. However, springing a surprise on the facilities team that a new office location is required in Puerto Rico, or not talking about the lateral group import to the Moscow office (doubling the footprint of that office) until the week before they are due to arrive will only ever ensure that those new or changed locations do not work properly from day one.

In the case of bringing in lateral teams – ignoring all the work which needs to take place to deal with potential conflicts – nothing is more likely to make a group feel unwelcome or, even worse, that they have made an error by joining your practice, than for their location and identity not to be ready so they can hit the ground running. You get one opportunity at the 'first experience' moment and that needs to go well to set the scene for the ongoing relationship.

This requires the management teams to know and understand the complexity of such logistical moves and know and understand when information must be shared and with whom.

It is also worth looking at the changing global working practices. Lawyers work on the move, from a variety of locations, via a variety of devices and with differing information needs throughout their working day. The well-managed law firm supports those needs while taking cognisance of the increasingly draconian requirements around the secure movement of data to travelling lawyers, or lawyers working in vulnerable jurisdictions or locations.

Everyone knows the way to keep a secret is to tell no one. However, as we live in an increasingly boundaryless world, geography and time cannot be reasons or excuses for not meeting a client's needs. Therefore, a law firm must place information in

increasingly secure containers, adding a variety of locks, padlocks and security guards around those containers to allow the travelling lawyer proper access in a non-vulnerable way. This requires understanding from both parties. Lawyers must be aware of the constraints of operating in certain environments so they do not increase the vulnerability of their data. In parallel, business service teams must apply the right level of check and balance without causing an obstruction. It is a working example of Le Chatelier's Principle.

New entrants to the market work as non-traditional legal service providers, they are not constrained by what used to be done and how it was done. This has given them the opportunity to streamline operations and thus remove duplication, repetition and other factors which can increase the cost of simple service delivery to the client. Law firms are now turning to technology and their internal project teams to help streamline their processes to enable them to stay competitive.

Many new entrants follow a more proscriptive style of operation often dealing with only limited work types. They will have spent much time and energy in reviewing the process of these work types and ensuring that where a task can be done entirely by the system it is done so. They will not have the same career structures, nor indeed necessarily the same working hours or working ethos. They will happily accept idiosyncratic work patterns – often being paid on work completed rather than time taken to complete. This model may not appeal to those who still see the lawyer to partner route as the perfect career – but it does appeal to many who have both different personal aspirations and potentially other responsibilities such as family or a second career and want to have rewarding work with clear time boundaries wrapped around it.

The consolidation of the global market has meant that technology and operations are defining the new identity for the global practice. Single logos, websites, billing styles and even corporate graphics encourage both the internal cultural merger of the disparate parts but also help the world at large to see the firm as 'one firm' rather than a series of localised islands. The model of reliable identity and brand management has been tried and proved correct in a much wider market than just that of legal service delivery.

These consolidated global firms are not the only firms whose practice shape is changing. Most of the major firms have worked at reducing their

commitment to high-cost space in capital cities. Two major changes have created this opportunity. The first is the increasing acceptance of flexible working – meaning that it is not just the 'travelling on business' lawyer who often works from other locations, but also the traditional office-based lawyer will now regularly work from home or from another location. The second major change has been the increasing number of law firms which have eschewed the traditional outsource model and built their own shared service centre in a lower-cost location.

This change in the operational shape brings with it a change in the management requirements and the type of career opportunities which are available. It is no longer surprising to find firms process mapping even complex transactions and employing legal project managers to run the operation of those transactions. These new career roles are often undertaken by people from other disciplines rather than law graduates embarking on a training programme.

Again, there is another opportunity for operational excellence. Different working models and practices require different skills, different training and potentially different remuneration models. The well-run firm will be anticipating these different workforce needs and developing non-traditional training programmes such as apprenticeships and training in skills like Lean, Six Sigma and even Prince 2 project management skills.

None of these changes are unique to the offering of legal services. No global brand is the same shape now as it was, say, 30, 20 or even 10 years ago. The rise of internet shopping which is now threatening the whole concept of the 'high street' is a classic example of how changing practices require the delivery model to change. So law firms also must change their model – and many of the more successful ones are doing just that.

So the parallel operation of legal practice delivery and the communication and operational media supporting it gives rise to the new model of law firm which is:

- aware of the need to operate effectively and efficiently;
- cognisant of and competent within the secure data model;
- wise to and concerned for the need for internally managed processes which do not duplicate effort;

Nothing frustrates the client more than not being provided with complete information – or a failure to communicate something critical in the right timeframe.

- ready to share information so that all parties can complete their tasks in a timely and correct manner.

This firm is a true amalgamation of each of its component parts. No one part is more valuable than

the next and each is able to function effectively only if all are doing their tasks in a proper manner.

In short, the sum has infinitely greater value than the component parts – so long as they remain in harmony with common goals and objectives.

Tony Williams is the principal of Jomati Consultants, an international legal strategy and operations consultancy. Janet Day is a specialist in law firm IT and knowledge management issues and now acts as a consultant.

‘Operational excellence – an underrated business tool’ by Janet Day and Tony Williams is taken from the third issue of the new Modern Legal Practice, published by Globe Law and Business, www.globelawandbusiness.com/journals/modern-legal-practice