

Having trouble reading this email? [View it on your browser](#). Not interested anymore? [Unsubscribe Instantly](#).



Making Partnerships More Profitable

In This Issue

- [Successful Partnerships](#)
- [Innovation, Effectiveness and Efficiency](#)
- [Innovation and IT trends](#)

Also This Month

In-House Training

Our CPD accredited training can be a cost-effective way to ensure you achieve results throughout your firm that will impact on bottom and top lines. [More information](#).

The Profitable Partnerships Programme

This law firm business development programme helps partners and key solicitors to measurably and sustainably improve business development performance and profitability. We deliver tracking of performance across a range of key indicators, from new clients and instructions to monthly billing rates. [More information](#).

Blog

Get involved in the debate - read our posts on the issues and challenges confronting your industry, and provide your own opinions on our [Blog](#).

Cash Management for Law Firms – Ark Group Sector Report

Recognising our expertise in the area, Wilkinson Read & Partners have

Saturday June 22, 2013

Successful Partnerships

Dear Michelle,



This month Barry Wilkinson addresses the implications of innovation in the legal sector, considering major IT trends and the need for both efficiency and, particularly, effectiveness in management.

As ever, any comments or shares are gratefully received.

The WRP Team.



[back to top](#) ↑

Innovation, Effectiveness and Efficiency

Until January 2012 the legal sector was protected by a regulatory framework that prevented non-lawyers from entering the market, but which back innovation.

Since then the regulatory barriers have been lowered.

Essential Innovation: Drucker in the Legal Market

In these circumstances innovation becomes essential. I recently chaired a Law Society conference on innovation and was reminded of the words of Peter Drucker:

“The people who work within these industries... know that there are basic flaws. But they are almost forced to ignore them... In the meantime, the innovators have the field to themselves.”

Drucker's maxim was that “Efficiency is doing the thing right. Effectiveness is doing the right thing”

Of course, this does not mean that firms should ignore efficiency - but at best it is a necessary condition for survival, not a sufficient one.

Escaping the Gastric Band

written a definitive sector report on Cash Management for Law Firms. The report, available [here](#) from publishers the Ark Group, addresses in detail the cash flow challenges facing legal firms of all sizes, and details specific strategies for improving cash management and achieving rapid yet sustainable results.

Forward

Know someone who might be interested in the email? [Forward this email to a friend.](#)

Unsubscribe

If you no longer wish to receive this email [please unsubscribe.](#)

We have written on previous occasions of the 'Gastric Band' squeezing mid-market firms, who will have to be both efficient and effective. We see the growth of niche specialists in particular areas of law, or serving a discrete and recognisable client base, as part of the answer.

Successful firms will have to achieve a delicate balance, relentlessly driving out any unwarranted costs, but also justifying an element of price premium.

For most firms operating in the Private Client or owner-managed business sector this will have to be based on developing a relationship that the client values. In particular, firms and individual fee earners will need to focus on the art of conversation.

This is not about improving the measurable service quality, such as speed of response, as these things are increasingly taken as a given - it is about creating the intangible feeling in the client that they really matter to you, so that you can matter to them.

Unhealthy Attachments

The problem for many firms is, to quote Drucker, "People in any organization are always attached to the obsolete - the things that once were productive and no longer are."

Unfortunately, this includes many senior decision-makers who have been used to operating in the comparatively protected markets where the only competition was from like-minded lawyers.

However, the UK legal market has been opened up to external competition, so effectiveness and innovation are now even more important than efficiency.

New skills and approaches will be needed, but the reward for the courage to innovate could be considerable.

Please email barry.wilkinson@wilkinsonread.co.uk

[View full article](#)

[back to top](#) ↑

Innovation and IT trends

Drucker's observations (above) were particularly highlighted by a recent [McKinsey article](#).

In a chilling phrase they say that "what we described as nascent three years ago is fast becoming ubiquitous, which gives managers unimagined possibilities to fine tune processes and manage operations".

The Key Trends

Four of the Ten trends identified in 2013 seem increasingly relevant to the legal world (using their terminology):

- **Joining the Social Matrix** – reading and responding to email and collaborating with colleagues can take up to 60% of typical knowledge workers' time, and they could become

25% more productive through the use of social technologies. Scale and the ability to invest will hand ever greater advantages to the largest firms with the IT capability to move to such platforms.

• **Competing with Big Data and Advanced Analytics** - global data volumes are doubling every two years, and analytical capability is becoming ever more powerful as costs fall. Perhaps the area where this can have the greatest impact is in the mass market of business to consumer law – with major retailers accurately profiling customers so that their marketing of specific legal services can be finely targeted.

• **Freeing Your Business Model through Internet Inspired Personalisation and Simplification** - we regularly hear firms complaining about the increasing move towards "DIY" solutions where clients access (previously chargeable) knowledge from the Internet. Often, in other industries the basic level of knowledge is provided free as a teaser to attract clients before moving to a chargeable service - which may in turn have several levels. Increasingly, knowledge is free and universal, but the experience and application of knowledge is where the professional still holds sway.

• **Automating Knowledge Work** - clearly the area with the biggest potential impact for the legal profession. The removal of the labour cost component of many transactions by IT promises to expand the volume of legal activity massively, but it threatens the role of the qualified lawyer. McKinsey quote the example of an American IT company which scanned 500,000 documents, and pinpointed the 0.5% that were relevant for an upcoming trial in 3 days - instead of a team of lawyers taking several weeks. Many partners have assumed that automation only applies to "commodity" work carried out by more junior staff, and that true knowledge work involving the provision of advice is somehow safe. That is no longer so...

To reiterate what Peter Drucker has said, "They do not, as a rule, even notice it (innovation) until it has grown so big as to encroach on their industry or service, by which time it has become irreversible."

Please email barry.wilkinson@wilkinsonread.co.uk

[View full article](#)

[back to top](#) ↑