

Briefing

PROCESS AND PROFITABILITY

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*Interview***Richard Jones**

The man who's reformatting Wragge & Co for a more mobile, more agile future

*Feature***Goodbye to all that...**

How legal operational leaders are deconstructing firms as they head into more process-led future

*Industry views***Process gurus**

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*Industry Analysis*

Projecting power

Legal process management isn't magic, it's simply core to efficiency and profitability, says Nigel Williams, product manager for LexisNexis Enterprise Solutions

Legal process management (LPM) is by no means a new concept, and law firms have successfully implemented it for years, especially in the high-volume legal areas. However, today it's more than a niche approach to automate certain aspects of law firm operation.

While there are a few forward-thinking organisations who are already ahead of the curve in adopting LPM for broad efficiencies, for many law firms, their survival depends on it. LPM drives profitability and simultaneously ensures client satisfaction – two key goals of any legal services provider in the current cut-throat, customer-churn prone and rapidly changing business environment.

We often hear about the challenges firms face when adopting BPM. This article outlines the big ones.

Stakeholder buy-in is perhaps the biggest obstacle. Up until now, firms have focused on the classical top-line revenue growth as a

metric of success, but now they must focus on profitability. This requires a fundamental change in mind-set and it appears that there is a reluctance to invest in this new way of thinking.

LPM provides visibility of every aspect of the law firm operation – right from resources to finance through to business development and client engagement. This in turn facilitates strategic planning, management and execution of every task and process in the profitable manner. In fact, LPM helps to execute tasks and actions with a quantifiable end goal in mind. It facilitates cost control of service production to the nth degree. Most importantly, it helps to separate the 'process' from the 'advice' – clients pay law firms for the latter and are increasingly uninterested in how the service is delivered.

The experience of the banking sector is a good example for the legal sector to learn from. Banking/financial organisations

have significantly invested in efficiency and automated processes for front-end and back-office tasks, for which they are reaping benefits. In fact, many bank processes are extremely low value, but by automating them they have minimised the cost of processing without making a loss.

The technology challenge

There are many technology solutions today – all convincingly purporting different approaches to law firm operation and business. So how does a law firm decide the right tool for its business is a valid question.

LPM must be looked at as an aid for ‘continuous quality improvement’ and so it is not about adopting a ‘one tool fits all’ approach. Law firms need to first assess their business – what they do well, where there is room for improvement, in which areas an overhaul is required and so on. For instance, if effectively managing resources is a major requirement for a law firm, then a LPM approach can help automate and combine time, billing, financial and human resource management processes to optimise the function. Similarly, LPM-led technology can assist with managing legal matters, resourcing cases commensurate with client requirement, estimate service costs, accommodate flexible invoicing and optimise administrative costs through best practice processes for finance, procurement, fixed assets, invoicing, expense management and human resource management.

At a more granular level, LPM can facilitate a project management-led execution of legal matters so that there is a consistent, standard and structured approach to scoping, planning, pricing, executing, monitoring and managing all repetitive legal tasks across the organisation.

There is no mechanism to instigate a

new way of working overnight. However, a concerted and convincing effort top-down to communicate the rationale and benefits of new processes is a good place to start. Experience also tells us that cultural change is best implemented in small measures. Yet again, technology can be an enabler of change in law firms. Workflow-based systems allow process improvements, streamline flow of information within the boundaries of the organisation and even with clients, where necessary.

As an example, and unlike other professional service providers, many law firms find it difficult to engage in commercial conversations with customers around changes to scope. This reflects a lack of suitable real-time management information and understanding of workflow processes; and the need to change normal behaviours and ways of working.

Habitually, law firms try to do it all themselves, which sometimes ends up becoming a time-consuming, frustrating and costly endeavour. LPM adoption is no longer about implementing a technology system, it’s about mapping business processes to strategic goals and objectives and then tailoring the technology solution to individual business needs. Law firms will gain more if they focus on their core expertise and leave the technology implementation to third party vendors who have the knowledge, tools and experience to make it happen. Their own focus is better expended on how they adjust their working practices and processes to adopt new tools and techniques that allow them to enhance the quality and efficiency of their service.

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