

# Briefing

THE STRATEGY ISSUE

JUNE 2013

*Interview*

## Amanda Burton

Clifford Chance's COO on the challenges of the nascent global elite

*Feature*

## Big in Japan (and Europe, the US, etc...)

The challenges and opportunities in a growing global legal marketplace

*Research*

## The top 100 COOs

We list and quiz the top 100's operations leaders and COOs

*Industry views*

## Bigger is better...

Everything you need to know about enabling global firms

**Briefing jobs:** Senior roles across the board on our jobs pages

# Making it BIG

**Tomorrow's global and international firms: Strategic thinking, leadership, operational direction, change management and growth**

*Issue sponsor:*

THOMSON REUTERS

**ELITE™**

*Industry Analysis*

**Neil Renfrew, consultant for LexisNexis Enterprise Solutions, looks at whether law firms can be big and efficient. It's a goal many firms seek, but can it be done?**

**Get big, get niche or get out is a familiar business mantra and one that we are seeing more of in legal. Large firms are getting larger, while mid-size firms are nervous about being left in 'no man's land'. Clearly, 'getting big' appeals (witness all the recent merger activity), and it begs the question: why? Not to mention: how?**

Putting ego to one side, the rational answer to 'why' must surely be to increase combined revenues and/or reduce combined costs. Among other things, increases in revenue might be expected as a consequence of additional capabilities and greater geographical reach, making a firm more attractive to larger corporate clients. More opportunities for cross-selling might also be expected. Meanwhile, economies of scale should mean reductions in a firm's cost base – particularly in mid-office and back-office support functions.

But these things don't happen by themselves – management teams need to make them

happen, which brings us to the 'how'. Let's take a hypothetical large firm – the product of a series of mergers resulting in an international (if not global) firm – and focus on the cost reduction part of the equation.

To be able to reduce costs in a newly formed 'big' organisation, first and foremost people need to be organised into a structure geared towards concerted and effective action. For a newly merged, big organisation to be run as a union (rather than a federation), leadership and a clear, vision-based command and control structure are essential.

There are, however, practical challenges associated with achieving mid-office and back-office efficiencies and savings. The majority of larger firms have an IT infrastructure that resembles a plate of spaghetti and meatballs – the meatballs represent 'applications' and spaghetti 'integration'. This greatly complicating matters when it comes to implementing even the simplest forms of support for business

processes.

However, after a merger (which involves trying to digest lots of plates of spaghetti), it gets even more complicated (and expensive) to deal with processes such as conflict searching, business intake compliance, purchasing, resource management, client relationship management, financial management and business intelligence – to name but a few.

So what should the firm do? It pays to have a vision of an end-game in which (speaking in software engineering terms) user interfaces suit users and their devices, processes flow naturally (without application stacks being barriers) and data is integrated in an elegant architecture.

In effect, firms should look for a new approach to mid-office and back-office system platforms that minimise the number of applications (user interfaces, process domains and data silos) and focus on supporting the work that support staff actually do.

To this end, as firms explore and shop for ‘lasagne’-style systems (those that take a layered approach to user interfaces, processes and data), foundation steps can be taken: by abstaining from implementing more point-to-point integrations and taking a fresh approach based on a strategic information architecture (using master data management and warehousing principles), standardising user interfaces, and building support for processes that cross-application domains.

Cost savings will be achieved by having fewer people doing more work and, aside from good organisation and management, this is where IT systems can make a real difference. Firms that aspire to manage internal and external resources effectively, comply with multiple regulatory regimes, maintain

relationships with large corporate clients, run efficient operations, and have all of the information necessary to monitor business performance need effective integrated IT systems, not plates of spaghetti.

This thinking is hardly novel, and there have been a number of attempts to follow this strategy with ‘ERP’-style systems. To date, these

*“Cost savings will be achieved by having fewer people doing more work and, aside from good organisation and management, this is where IT systems can make a real difference.”*

Neil Renfrew, LexisNexis Enterprise Solutions

attempts haven’t been runaway successes for a variety of reasons, including a relative lack of experience of the sector’s somewhat unusual requirements on the part of developers and implementers.

So, enter LexisNexis with their new Microsoft Dynamics AX-based Legal Business Management system (codenamed Nimbus). It’s a ‘lasagne’-style architecture, rich with business process features garnered from its 14,000+ sites in other business sectors across the globe. Add to this the LexisNexis sector knowledge and maybe there is hope for this strategy yet! Being good lawyers helps too, of course...

Want to know more about Nimbus?  
**LexisNexis** Enterprise Solutions  
[www.lexisnexis-es.co.uk](http://www.lexisnexis-es.co.uk)

