

# CHANGE MANAGEMENT



**Paul Tilling, Head of Strategic Alliances at LexisNexis Enterprise Solutions analyses the prerequisites for managing change in the typical law firm**

The eminent management guru Peter Drucker once said: “The greatest danger in turbulent times is not the turbulence – it is to act with yesterday’s logic.” The last five years has certainly taught the legal profession a few salutary lessons. The sad demise of iconic American law firm Dewey & Leboeuf is just one example of a firm that

proved incapable of making necessary changes in time.

Market liberalisation, increasing competition and the pressure to deliver “more for less” to clients means that law firms must make the transition from being a traditional law firm towards a more business centric one. There has been a growing clamour for years, but never has it seemed so imperative.

Further, law firms must now get used to the idea of being in a state of constant change, adapting business strategy to evolving market conditions in order to leverage new opportunities, minimise business risk and sustain performance. This means that they must build change into law firm operations – an area that has not been a priority for many. Up until now, law firms have been relatively impervious to economic fluctuations and their partner-driven business model has meant that they have, to a large extent, been masters of their own destiny.

Today the commercial landscape is very different and enterprise-level business management is becoming increasingly crucial to the health and vitality of law firms. This includes functions such as financial and practice management, but equally business areas such as HR management, business intelligence and change readiness, which historically have been considered less critical by law firms.

While there is no silver bullet to inculcate a new way of working, using technology to support improved business performance is a proven approach – other professional services and industry sectors have tangibly gained from it. Adopting an intuitive, flexible and scalable technology platform that provides end-to-end business management capabilities is a prerequisite to enabling business change. It helps firms to cut costs, eliminate poor practices, automate and streamline processes, optimise human capital utilisation and deliver value add to clients and profitability to business stakeholders.

Resistance to change is a natural instinct, but if law firms get their people to buy into their journey, the results are more likely to be positive and long lasting. The message, “how this change will benefit you”, as opposed to “what we have to do to you”, is a much more effective one.

## “Resistance to change is a natural instinct”

Convincingly communicating a firm’s vision and the need for change is the critical first step. An enterprise-class business management system can assist by providing business intelligence to help highlight the rationale for the firm’s strategies. For instance, comparing client data, segmenting clients by industry sector, analysing employee skills and competency can support the firm’s case for a change in its current business approach or direction.

Strategic human resource management born out of the need to manage firms’ human capital more effectively and efficiently is going to be a big area of change. A business management system can help by facilitating centralised control of the HR function while decentralising day-to-day processes. For firms looking to offer more value-based pricing, such systems can help ensure that work is performed by individuals with the right expertise and experience, without compromising service quality or profitability. With employee development being key to a firm’s ability to retain and attract the best talent, these systems can also facilitate structured employee appraisals, skills and career development to meet staff needs and the future requirements of the law firm. From a recruitment standpoint, these systems can automate the repetitive processes and provide statistical overviews as input for further fine tuning in the future.

“Don’t try and eat the whole elephant in one bite” goes the saying. Cultural change is best implemented gradually – starting small and creating a portfolio of wins to encourage a positive attitude towards change – and in so doing sustaining change momentum. A business management system can assist by providing the ability to measure the success and effectiveness of the new ways of working, thereby helping to consolidate new processes and facilitating continuous improvement.

An incremental approach to change helps people to become metaphiles (change-agents), actively embracing change and more readily accepting the regular replacement of older, less efficient ways of working with leaner and more effective processes. Being workflow-based, a business management system helps facilitate such process improvement, streamlining the flow of information within the boundaries of the firm and where appropriate, with external stakeholders. Many law firms are in fact already looking into greater alignment in their underlying technology stack, particularly around Microsoft technology so that their business environment spans technologies, functions and geographies.

### **“An incremental approach to change helps people to become metaphiles”**

In essence, a business management system delivers an environment that facilitates “change readiness” enabling firms to be flexible and agile to respond to market conditions and capitalise on developing opportunities. Change readiness is essential to continuous improvement – it allows firms to purposefully alter course or simply fine tune existing processes to achieve strategic business goals. Professional services firms outside the legal sector who have adopted technology as an enabler of a business management approach have persuasively demonstrated benefits of better utilisation of resources, improved quote accuracy and greater client retention – culminating in increased production, revenue and ultimately profits 

LexisNexis Enterprise Solutions provide software products and solutions to Professional Services organisations.

# Power tools for lawyers.



## **Evolve. The Dynamic Law Firm is enabled by technology that is flexible, efficient and agile.**

Specifically designed for law firms, ‘Nimbus’ is built on Microsoft Dynamics® AX 2012. Nimbus, the Business Management Solution from LexisNexis goes beyond traditional practice management software, providing the capabilities you need to succeed in a changing and increasingly competitive landscape.

- Improve & deliver more sophisticated client service
- Deliver greater value and returns to your clients
- Make informed business decisions
- Optimise productivity and lower costs

To find out how, contact us today.

**[www.lexisnexis.co.uk/enterprisesolutions](http://www.lexisnexis.co.uk/enterprisesolutions)**

For more information email [salesinfo@lexisnexis.co.uk](mailto:salesinfo@lexisnexis.co.uk) or download our latest red paper at [www.lexisnexis-es.co.uk/nimbus-red-paper](http://www.lexisnexis-es.co.uk/nimbus-red-paper)