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Challenges Facing the Law Firm Sector

Paper presented to the 35th BIALL Annual Study Conference in Edinburgh, June 2004 by Catherine Hearn.

Introduction

When David Hart asked me to speak this year, I was, to use a good old Lancashire phrase, "a bit dropped on"!

When I started preparing this presentation, I was ever conscious of my audience. There are clearly a lot of delegates here today who have wide ranging experience in the law firm sector and are fully appraised of the issues they face on a day to day basis. There are also a good number of you who have never worked in a law firm and who might be interested in an overview of those issues.

Using my own firm as a case study, I hope to give you all an insight into the challenges which we face, some of which I have no doubt will be common within and across sectors.

Catherine Hearn

Background to the firm

Irwin Mitchell was established over 80 years ago and has its origins in the gang wars in Sheffield during the depression. Since then, the practice has developed from a high street firm in South Yorkshire providing a range of services to individuals and local businesses, into a national practice with offices in five UK city locations. It has a reputation for being one of the strongest personal injury practices in the country. We still retain the full service approach so that a single client can come to us for their full range of legal requirements. For example, I could approach Irwin Mitchell to deal with my house sale, sort out my divorce, organise my will, deal with my company law issues, and claim compensation from a holiday company for loss of enjoyment during my package holiday abroad!

The firm is thus a series of small law firms operating under one umbrella, with different information requirements, different objectives, different clients, and different skills, all jostling for pole position.

Knowledge Management Services

Knowledge Management Services, or KMS for short, is the name given to the combined services of intranet, library, information and knowledge management. We aim to provide a comprehensive support solution that integrates internal and external knowledge and information for business use and improve organisational effectiveness. Twelve people are currently employed to provide these services. Most are qualified information professionals but we also have a number of individuals in the team who hold law, IT and practice management degrees or who are pursuing legal qualifications. I head up the department and my role is something of a consultant to the business. I act as a matrix manager to identify and bring together different parts of the firm to support knowledge management solutions and business improvement initiatives. I also have a dotted line responsibility for professional support lawyers with whom we work very closely.

KMS forms part of the Operations Division, under the Leadership of the Operations Director, who is an IT professional and the board representative for the department. The purpose of Operations is to bring together a number of teams (IT, KMS, Client Care, Facilities, Quality Assurance and Telecommunications) to provide a uniform approach, which in turn assists me in working to streamline the management of data, information and knowledge within the business. It enables us all to work cohesively to tie together the technology infrastructure and IT development initiatives with knowledge management and knowledge sharing initiatives, data storage and retrieval, information resourcing, reprographics, security issues, quality assurance, risk management and client care issues to meet the ongoing demands of the business and its clients.

What are the demands?

In my view the demands or challenges which we face as information professionals in law firms are underpinned by the firm's business model, the structure of the firm, and the user group. By this I mean the strategy of the firm, what it is trying to achieve on behalf of its partners and its clients, how the business interacts with itself across the different departments, the physical environment in which it operates, in our case spread across five cities and eight buildings, and the types of users we have in the business and how our services are designed to reflect their information needs.

They are also underpinned by our sense of self as a team and as professionals. That is what we bring to the party, how we are perceived and how we respond to that perception and subsequently, how we position ourselves within the firm.

I can't cover everything here so have picked up on a few challenges I hope will be common to everyone!

Financial challenges

Within the context of the firm's business model, we are required to support almost every subject area in English law because the business wants to act as a full service firm for clients, providing a one stop approach to legal services across the broad spectrum of client types. We are, as a result, a suppliers dream! To support these information needs at the most basic level we are required to purchase most titles across a wide range of subject areas in multiple copies. However, this has to be achieved against a backdrop of reducing business costs to maintain a competitive stance in the marketplace. This translates into, among other things, a reduced library budget! Add to this what I consider in some cases to be unrealistic product pricing mechanisms by information providers and an ever more sophisticated and demanding client base (internally and externally) and we have a real challenge on our hands to make the money, the existing service and the expectations for new and improved services match.

Cultural challenges

The culture of the firm can represent all kinds of challenges. For example, anyone who has ever tried to get a lawyer to share his knowledge as part of a KM programme will know what I am talking about. The reward and recognition scheme within law firms generally focuses on the ability of fee-earners to generate fees through the development of expertise. To become a partner, you have to demonstrate that you bring a particular skill to the party which the firm needs or wants, and that you are profitable. As a consequence, knowledge is power and there can be an automatic defence mechanism on the part of some fee-earners not to share what they know with others because they see the expertise as theirs and not the firms. Like any law firm, each individual department can see itself as greater than the whole and this presents problems in creating a knowledge sharing culture and promoting consistent best practice models across disciplines. In our case, it is virtually impossible to operate a one size fits all approach, because of the distinct areas of law in which we practice, so this increases the challenges we face in implementing technology, managing budgets, working on business improvement initiatives and delivering our services, because the needs in each department will be different and what one considers to be important will not necessarily be the same for another.

Our role in corporate governance (copyright and data protection for example) is difficult as well because there is a need to manage upwards and it is sometimes the stakeholders in the firm who are the biggest challenge, because they know they don't have to do it and it's not their first priority.

People challenges

I have already touched briefly on people issues but I do think this is worthy of more discussion because it is, in my view, by far the most influential of challenge drivers. As with all sectors, our user group determines how services are developed and delivered; what types of clients we have externally and how we respond to their needs; how technology is implemented; how governance is managed, and how the cultural, economic and environmental factors of working in the firm are performed.

We have 1800 staff across the firm – 248 qualified solicitors, of which 82 are partners, 500 paralegals and 1050 support staff. As with most law firms in the twenty-first century, the primary business model is to drive down costs for clients by increasingly automating the legal process and using paralegals to perform tasks through case management systems, which in turn cut down on unnecessary administration. This in turn frees up lawyers to focus on the expert and high value work required for cases, business development and business management issues.

However, this "de-skilling" of the legal process and the increase in technology as a driver has a knock on effect on the traditional aspects of KMS teams, because it has been common for KM to be defined by some as an IT revolution, which in turn supports an increasing belief that technology can replace many of the functions and services that KMS teams provide to the business.

Additionally it is feasible, but not proven, that our services are seen as less strategically important because they rarely fail! Because IT can and does occasionally crash it is given much greater attention because the impact of it not being there is very clear. As information professionals, we have no means to demonstrate impact at this level unless we all disappear to Spain for a week! One could therefore argue that we are all basically too good at what we do and too professional about the way we do it.

On the research side, some departments now have less need for research support because of the nature and type of work undertaken and the way in which the workflow is performed. In those areas where the firm still requires research, we are finding that new fee-earners joining the practice are more expert at online research than their

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predecessors were and this has changed the way KMS departments are being used. In our case, the library team now deals with fewer enquiries but those they do deal with tend to be more complex.

Consequently, as the business requirements of the firm have changed and the format of the service has changed to meet those requirements, there has been a need to review and redefine roles within the team and redeploy existing staff to support changes in the service portfolio. This is now becoming a continual process. Team members, therefore, need to continually demonstrate a flexible and responsive approach to the changing demands that the business places on them and reflect these in their working practices and willingness to re-skill in areas outside their existing remit. Essentially, we need to redefine who we are and what we do within the context of the business and show that we are still relevant to its ongoing success.

The twin set and pearls brigade – working on perceptions

There is no doubt that as information professionals the perception of what we do is based on what lawyers see and their interaction with us. This can be as simple as how tidy the library is or as complex as how effective we are at analysing user needs to develop a new know how database and its actual success in practice as a result. However, because we are predominantly still book-based, services are centred around the physical entity of a library collection, and we tend to be defined within our traditional roles of collections management, research support, trainee inductions and library housekeeping. Whilst these are valuable services and should not be discounted, I would suggest that most law firm information departments have moved on from this primary position to take on other roles. For example, let us take a look at the type of work we now do. There is no doubt that the breadth and depth of our services and the responsibilities have grown and changed and we now have skills that go way beyond the traditional portfolio of information management. We have now become IT managers, commercial managers, information managers, business analysts, consultants, financial managers, expert researchers, knowledge managers, business risk managers, quality assurance managers, account managers, contract negotiators, trainers and marketing executives to name but a few.

At Irwin Mitchell there has been a tendency for us to hide some of the back room tasks of the business from the firm on the basis that the firm doesn't need to know about it, they just need to know that it's being done. But if we look at the list above and the breadth of skills we have, we actually see that these are increasingly the skills that business managers are looking for and so maybe we should be promoting these attributes as well.

We have now stopped measuring impact purely on enquiry numbers, turnaround times and time recording, and instead have focused on measuring our impact against the success of client delight (both internal and external), project success and our contribution to projects, and usability testing on systems and services. Each year I now also submit an annual review and business plan which outlines our achievements to date and provides an overview of the areas of work we are going to concentrate on in the coming year. This provides an active measurement tool for the rest of the business to assess our services and the value we bring year on year.

"You can't be what you must be by being what you have been" – Steve Job

One of the main reasons I became an information professional was because I liked the idea of every day being different with new challenges and learning opportunities to embrace. There is no doubt that information professionals in law firms are faced with a number of organisational and professional challenges. What is also clear is that we need to engage with these challenges not ignore them, and work proactively to demonstrate our continued relevance to the business by promoting our collection of skills, rather than simply defining ourselves by our existing roles or job titles.

We must always look for a better way to deliver existing services and reflect and respond to internal and external client demand. We should understand that our future success, on a team level, a service level, and on an individual level, depends on how well we react to the changing marketplace.

Catherine Hearn is a chartered librarian who qualified in 1992, after completing a first degree in Communication Studies and spending a year working in London at the British Library. She began her legal library career as Acquisitions Librarian at the Inner Temple. After gaining an excellent grounding in law librarianship, she moved to Norton Rose in 1994 and left two years later to take up her current post with Irwin Mitchell. Based in Sheffield, she has developed the service significantly over the last eight years and now manages a team of 14 and has strategic and managerial responsibility for the firm's national library, information and knowledge management services, and related client projects.

Catherine is the co-ordinator for NELLIE, a northern based law firm librarian's group, whose remit, amongst others is to develop strong working relationships between law librarians and their suppliers. Catherine has recently completed a postgraduate qualification in the Management of Legal Practice at Nottingham Trent University.

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