

Interview with Peter Lake

Abstract: Peter Lake is the Managing Director of Sweet & Maxwell, a Thomson company. As part of our feature on law librarianship and legal information in the 21st Century, we arranged to interview him to ascertain his views both on the future of legal publishing and on how Sweet & Maxwell are faring in the early part of the century.

Keywords: Legal publishing

Introduction: Peter's background

Peter has a degree in English and entered publishing via working at Dillons after graduating, where he applied for a job at Pearsons. He was employed by Longmans in the tertiary education area. He moved to Butterworths and then became marketing director at Gee & Co, a Thomson company, becoming Managing Director there from 1991 to 1997. He then moved on to the Westlaw UK project at Sweet & Maxwell and also worked on business development in Europe. He became Managing Director of Sweet & Maxwell in 2003 when Wendy Beecham returned to the US.



Peter Lake

The business

Sweet & Maxwell is part of the international legal business arm of Thomson. The parent company is currently known as Thomson International Legal and Regulatory and is headed up by Helen Owers in London. It consists of all the Thomson legal businesses outside North America, including Aranzadi in Spain, Forlaget Thomson in Denmark, Roundhall in Ireland and the Australasian businesses – Brookers in New Zealand and Law Book Co in Australia.

Print

The print element of the business is resilient and print revenues are stable. Although there has been a decline in volume sales with the advent of online services, there will not be an imminent collapse of the print market. At present revenues are 30% online and 70% print. Even

where customers access material online they still print out much of it.

In the more litigious US, the current figures are about 55% online and 45% print and Peter would expect the figures in this country to move upwards in favour of online.

Online - Westlaw UK

The new platform has been very well received and Sweet & Maxwell have seen a big increase in usage. The pre-new platform legislation data had not been completely fit for purpose, but the new version is much more intuitive and easier to use. Most customers have now been migrated and

the operation will be complete by Spring 2008.

All academic institutions now subscribe to the service and 49 of the 50 top law firms. Within the top 100 law firms 94 subscribe to Lawtel and 87 to Westlaw and Lawtel is popular throughout the top 500. Westlaw is also available to the judiciary and government legal services through LION, which is the DCA's internal network.

• Plans for future content

For analytical law there are plans to have all the *Common Law Library* titles available by mid-2008. There will continue to be licensing agreements set up with other legal publishers such as Cambridge and Oxford University Presses and older material will continue to be added to the database.

• Federated search

Although progress has been made on the question of access via federated search systems using RSS feeds, and systems such as those offered by Solcara, the solution has not yet been found but remains a priority for 2008.

The market

The main competitor is LexisNexis, a Reed Elsevier company, which includes the famous Butterworths name in this country. Other smaller companies also have a place in the market, including Oxford University Press which has been growing fast over recent years and now has a healthy share of the student textbook market, and is moving into the international market with its acquisition of Oceana. Other niche competitors include Jordans for family and company law, Complanet for online financial services and regulatory material and PLC for precedents and specialist legal information. Tottel has also been increasing its coverage of the market having taken over much of Butterworths textbook stable. There is always a place for small and nimble new publishers to come in and bite at the heels of the established players like Sweet & Maxwell, who may not be able to move as quickly in introducing innovative new products.

In the US in 2006, market share was Thomson 41.5%; Reed 23% and Wolters Kluwer 20%. In this country, Thomson and Reed have a pretty equal share of the legal market at around 35%, whilst Reed and Wolters Kluwer are the main tax publishers.

It was recently stated in the *AALL Spectrum* that since 1979 in the US there has been an oligopoly in the legal publishing market with new rivals being candidates for acquisition. When asked whether this statement could describe the situation here, the response was that the two leading publishers in the UK had traditionally held a large share of the print marketplace and this was being translated into a similar situation in the online environment.

Pricing

When asked whether he considered that the pricing for online products was transparent, Peter responded that the terms of any licence agreement between Sweet & Maxwell and the customer were confidential and this had always been the case.

On the question of whether the acquisition of Lawtel had led to a lowering of prices, he said that Lawtel had been kept separate in the marketplace as a product aimed at providing simple and low cost access to daily legal developments.

Thomson acquisition of Reuters

This acquisition has now been cleared by the Competition Authorities in Europe and the US and it is seen as an opportunity for Sweet & Maxwell to integrate Reuters' very sophisticated news and business information services into their online services and a method will be developed to feed through information pertinent to the legal community.

The customer

Is customer feedback considered?

There are currently six customer focus groups comprising in all about 400 customers and a meeting of 140 customers had been held recently in London. The company was concerned to take account of the customers' views. Usability labs were used extensively before the launch of the new Westlaw platform.

There was also a customer "think tank" which consisted of law firm librarians who dealt with specific questions on content, features and usability of online products and a group had met recently to consider how the online *White Book* would be structured in 2008. Obviously the company could not respond to all user requests but they did try hard. One example of this was the launch of daily legislation feeds following pressure from customers. The online product manager and her team spend much time visiting customers and getting their feedback.

Customer services

Each year research is carried out on the performance of the customer services department and before the implementation of SAP (the invoicing and accounts system) it stood at a high 88% satisfaction. Following the implementation it plummeted but is now back up to 86%. Customers have been hugely tolerant of the impact made by introducing the new system, but there is still more to be done to improve the customer experience.

The legal profession

The legal marketplace has been very healthy for the past few years with the huge legal firms riding on the expansion of the capital markets, the growth in private equity and venture capital investments in the corporate sector and much mergers and acquisitions work. However, current market conditions, particularly within the banking sector, mean that there is a slowing down in this type of work. There has also been a considerable growth in the legal academic sector with more and more students studying for law degrees.

Future developments

The legal profession

There are likely to be considerable changes in the legal profession over the next few years, beginning with the Carter reforms affecting the provision of legal aid, which mean that many firms are no longer able to afford to provide legal aid services. The new Legal Services Act, allowing for the introduction of alternative business structures, may also affect the future shape of the

profession. Richard Susskind is due to publish his latest book entitled *An End to Lawyers?* in June this year and he wonders just how much of a lawyer's work will need to be undertaken by the lawyer himself in the future, as opposed to an IT system or a less highly qualified non-lawyer.

Government

The growth of government-funded access to legal materials is a positive development. The appearance of the Statute Law Database, together with the Direct Government initiatives, aiming to make the law more accessible to the ordinary citizen is to be welcomed. Government will continue to attempt to make primary legal materials more accessible and Sweet & Maxwell's role is adding value by interpreting them and adding metadata to make them more comprehensible.

Web 2.0

The advent of new methods of dissemination of information, such as the Web 2.0 applications gives authors a good choice of methods of publication and there will be a movement towards the Creative Commons¹ type of licensing situation. The emergence of such technologies is not seen as a threat to the business, but rather as an opportunity for it to consider how it can harness them to add value to its own products. Wikis will be used as a tool within the business to enable more sophisticated collaborative working.

Technology

There will be an ongoing commoditisation of legal services by the introduction of more technology. The major legal publishers have recognised this and are themselves acquiring legal technology companies to help them to integrate their traditional publishing and online services into a law firms own systems. For example, Butterworths acquired Visualfiles and Axxia and Thomson acquired Elite.

The market place – is there a future for small publishers?

Peter believes that there will always be a place for the entrepreneur who can spot a gap in the marketplace and move quickly to exploit it.

Open access publishing – is it a threat?

This is more of an issue for the scientific, technical and medical sectors. We will continue to see the development of alternative and competing business models within the legal environment. This to be welcomed and leads to a healthy and sustainable market.

Outsourcing

The organisation had considered outsourcing both back office and editorial functions. Much of the processing work for the online services was carried out offshore and Thomson currently employs over 2,000 people in India, mostly dealing with accounts payable and other back office functions. Some pilots have been conducted on outsourcing headnoting and abstracting, but indexing has not proved to be suitable for outsourcing.

E-books

Sweet & Maxwell ran a trial using an e-book reader to access an arbitration title but with mixed success. At the moment the search features are not sufficiently sophisticated. The readers are portable and the readability is improving. As the technology improves there will be a proliferation of devices aimed at the e-book market, but the commercial exploitation of such products within the notoriously conservative legal community may be more of a tough nut to crack.

The information industry

A recent Outsell report forecasts that there will be a growth in the industry between 2007 and 2010 followed by a gradual slowdown. It predicts that growth will be driven by integrating information into the workflow of organisations. Peter believes that this is already happening in the legal market and vendors who offer the ability to cross-search external and internal information will be the way forward. Within Thomson, the software development is carried out in the North American companies by, for example, Thomson Elite and West KM and, where appropriate, joint product plans for the UK market will be drawn up.

Footnote

¹The **Creative Commons** (CC) is a *non-profit organization* devoted to expanding the range of *creative work* available for others legally to build upon and share. The organization has released several copyright licenses known as *Creative Commons licenses*. These licenses, depending on the one chosen, restrict only certain rights (or none) of the work.

The Creative Commons licenses enable *copyright* holders to grant some or all of their rights to the public while retaining others through a variety of licensing and contract schemes including dedication to the *public domain* or *open content* licensing terms. The intention is to avoid the problems current *copyright laws* create for the sharing of *information*.

The project provides several free licenses that *copyright* owners can use when releasing their works on the *Web*. It also provides *RDF/XML metadata* that describes the license and the work, making it easier to automatically process and locate licensed works. Creative Commons also provides a “Founders’ Copyright”^[1] contract, intended to re-create the effects of the original *U.S. Copyright* created by the founders of the *U.S. Constitution*.

All these efforts, and more, are done to counter the effects of what Creative Commons considers to be a dominant and increasingly restrictive permission culture. In the words of Lawrence Lessig, founder of Creative Commons and former Chairman of the Board, it is “a culture in which creators get to create only with the permission of the powerful, or of creators from the past”.^[2] Lessig maintains that modern culture is dominated by traditional content distributors in order to maintain and strengthen their monopolies on cultural products such as popular music and popular cinema, and that Creative Commons can provide alternatives to these restrictions.^{[3][4]}

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Outsourcing Know How in Law Firms – Strategies for Success

Abstract: Outsourcing is now a reality for the legal profession. Sarah Fahy from Allen & Overy LLP asks how we decide its relevance for know how. Key to deciding is an objective review of our current internal practices and an appreciation of the relationships and skills necessary for compiling successful know how. Establishing a productive partnership with an outsourcing company takes commitment and investment. Success is forged through a shared vision of success from an agreed starting point.

Keywords: law firms; outsourcing; legal information; knowledge management

Introduction

The pressure for law firms to outsource some or part of their business is growing. The benefits of outsourcing have long been proclaimed. Studies quote savings of between 30 – 70% on staff costs, and with 80,000 law graduates in India each year, the opportunity to expand is attractive. With Forrester estimating a \$4billion legal outsourcing market for 2015¹, even the *New York Law Journal* noted recently that “outsourcing legal work to India is no longer a novelty. It’s a reality.”²

So should you consider outsourcing and, more importantly, what should you outsource? How do we strike a balance between maintaining a good service for our fee earners and being prudent? Is outsourcing know how realistic?

Why shouldn’t you outsource?

It is important to consider this question before starting out on the journey. I should also make clear that, in this analysis, I am assuming that actual legal work is not being outsourced. Where core legal work is outsourced, I believe the whole story changes, as lawyers need support locally. So given this omission, what reasons are there for us not to outsource supporting functions? By exploring this question we can examine our prejudices and blow the cobwebs off our assumptions.

The value of the law firm is its people and their expertise and experience. Law is essentially a relationship-driven business. Clients rely on lawyers as their trusted advisers because they are proactive in spotting problems and expert at finding solutions. So which part