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## Introduction

The delivery of service doesn't start at the front-line. It has to be an intrinsic part of a firm's modus operandi.

But could the management of the 'back office' actually be said to add value?

Can it improve interaction with the client, enhance the client experience, enabling a business to better reflect its culture and gain a competitive edge?

Or with the sophisticated technology available, does increasing efficiency now only really ensure a place on the starting grid?

In this first report, law firms consider the impact of the changing dynamic.

## Managing mainstay of the business

“I don’t think of technology as ‘back office,’” comments Matthew Truelove, managing partner at TWM solicitors. “To me that’s a throwback term to the days when we had a stationery cupboard. Everything we do hangs on IT. It is literally the mainstay of the business. If you took away technology we would be starting again in the dark ages.”

That said, he goes on, there’s a danger that technological advances can lead to law firms becoming gimmicky. “The art is finding the right spot on the technology curve so we’re up-to-date without having technology for technology’s sake. The closer you are to the front of the curve, the more you suffer unnecessary pain and expense. The art is to make sure you’re on the right side of the curve. Trying to be too leading edge can often mean fixing things that aren’t broken. We want to be in the top ten per cent but without the early adopter pains.”

Now with a staff complement of some 200, TWM have been around in one identity or another for more than two centuries. “We’ve acted for many of our business clients for decades and many families for generations,” says Truelove. “I would use the description long term and stable, though constantly looking to the future.”

And that looking to the future includes keeping a close eye on the ways IT can be deployed so that the firm “is doing the right thing” for the client. For example, Truelove believes clients don’t necessarily want to get text messages at every stage of a transaction just because it can be done. “Some just want a phone call to be told when something’s happening. So technology shouldn’t dictate the relationship with the individual client. Technology can’t be allowed to become a substitute for good client service.

“That said, increasingly clients assume that if they don’t hear anything, nothing’s

happening. You can be the best lawyer in the world but if you don’t keep the client up to speed they won’t thank you for it.”

“We will look at anything that has the capability to improve the efficiency of the business,” he says. “But every time it boils down to the question ‘are we making it better for the client’ rather than looking in first instance to add margin or move towards a more process-driven business model. IT is there to support people, not replace them. The issue is having the ability and resource to sort the wheat from the chaff, the snake oil from the gold dust – what’s going to be genuinely useful.”

As an example of something that is useful, he cites their development in-house of a management system which allows every lawyer to be located at any time. “If a client needs to get hold of someone across any of our seven offices, the receptionist will know where everyone is, whether they’re at lunch, at a meeting in town, or in court,” Truelove explains. “We’re pretty innovative with that kind of thing.”

Addressing one aspect of IT that is often said to be useful for law firms, Truelove says the quality of video conferencing is still not sufficiently good for it to be a genuine substitute for face to face meetings. “We try to reduce travelling between our offices, so crystal clear, almost-in-the-room video conferencing would be something we would make good use of as it would reduce our footprint.”

IT, of course, brings with it issues of the ‘copy and paste’ variety, although Truelove insists any problem with digital documentation is usually the consequence of human error. “There are true stories of a firm which was sued for negligence after a partner left a note in the digital margin saying something about the case being ‘dead in the water’ - which turned out to be the outcome.”

But does he consider the added weight of IT and other requirees of compliance a hindrance? “No, quite the opposite,” says Truelove. “We used to be regulated by a



Matthew Truelove, TWM Solicitors

very black-and-white code of conduct, but now it's much more prescriptive and we use technology to comply."

## Why investment can be defensive

It's good to talk, proclaimed the advertisement. That was two decades ago. Now it's not enough. Explains Andrew Chalkley, chief executive, Boyes Turner, a twenty-two partner firm with 90% rated as leading experts by the legal directories:

"For us, the biggest issue is whether new technology integrates with what we already have. It's an absolute requirement that every component part needs to 'talk' to each other. If details have to be entered more than once, then the system isn't going to deliver efficiencies. The other concern is that when a supplier provides an upgrade, what are the implications on the rest of the system?"

"But technology isn't a battle ground, the traditional you are either on one side of the argument or the other. Unless a law firm is up to speed, it won't be in business. Of the 10,000 law firms in the UK, when you get to number 200, the turnover figure is just £5million. Below that are 9800 other firms. Many of them will find that compliance will increasingly become too expensive or time consuming, so technology is absolutely fundamental if they are to have any chance of remaining competitive.

"I think this is a reason why a lot of investment in technology has been driven for defensive reasons. Let's look at the process required for taking a new client. We need to register their ID, undertake the money laundering checks, and then we're required to risk assess the client and the actual case. To outline the process actually takes twenty-five pages of the office manual.

"Understandably then, law firms have this holy grail of the paperless office, perhaps

because our lives have been built around documents. I would say that most documents are scanned or have been emailed to us in the first place, but we still seem to use a lot of paper. The reason is that the majority of lawyers I speak to still like to read a physical document and prefer to make amendments using a pen. Arguably the next generation will be used to doing its homework on screen and 'handing' it in on-line as well. I seem to be conditioned to scan on screen, to read what is there more superficially than I would if it was in a printed document. I find it easier to pause and reflect with a printed document; there seems to be more urgency when it's on screen."

"When I started in law," Chalkley recalls, "the average lease for an office suite would be ten pages. Now it's up around sixty pages. Why? Because IT makes it easier to add clauses to cover issues more comprehensively or with greater sophistication. But a longer document means there is more scope for error, and while it is quicker to produce, it takes longer to go through."

But Chalkley is less concerned that technology will lead clients to expect so much more for so much less. "The B to C market for property and personal injury is heavily commoditised, with technology the mechanism to automate processes and reduce the level of staff required. It's harder to do that with B to B or high-value private client work."

Security, though, he believes is a burgeoning issue. "In the old days, the only way that confidentiality could be compromised was if someone broke into a law firm's premises and removed a file, or a lawyer took a document out of the office and left it on the train. The sophistication of hackers means that if an authorised person can access an on-line data room during a transaction, then so can someone who shouldn't. Of course it depends on how robust the controls are, but I make the point that hackers have been able to access the Pentagon, and on more than one occasion."

And technology can be an unwitting conduit to error. “A firm will get into this whole business of trying to increase throughput,” muses Chalkley, “and the greater risk associated with things being done more quickly should be addressed by the effective use of technology. But who hasn’t been in the situation where they have dispatched an email to the wrong person. Breaking confidentiality is the most heinous thing a lawyer can do apart from stealing money. If, inadvertently, commercially sensitive information is emailed not to the client but to the person who you last sent an email to, then that could be the lawyer representing the other side in a transaction.”

But no matter how technology is used or mis-used, there’s still a fundamental point which remains a constant, according to Chalkley. “It is very difficult for a mid-tier regional law firm to differentiate itself. A niche practice can carve out a name, but otherwise there are a lot of law firms working in not dissimilar offices providing not dissimilar services. The answer is to build the practice around service, having people who have an understanding of the dynamic of specific sectors and are able to build relationships with the client rather than just having a transactional involvement. It sounds very straightforward but it’s hard to deliver.”

## Making technology the delivery mechanism

“The human interface between the lawyer and the client is what sets us apart from the systemised delivery which is now prevalent in commoditised conveyancing and personal injury work,” explains Mike Parker, managing partner at Wilsons Solicitors.

“The role of technology is to provide the infrastructure behind the lawyer which

enables that relationship to be sustained. It’s about making the technology serve what we want to deliver, which is to enhance the relationship between the client and the lawyer. Technology should make a law firm as flexible as possible to achieve this. Conceivably the client could be invited to view the progress of their case through a portal, but just because technology makes that possible, it doesn’t follow that is what clients will all want to do. Some wouldn’t be interested in the nuts and bolts, only the action points and the end result.

“Clients expect quicker delivery, but most of all they want to know what is going on, and they know that technology should enable that to happen. For the lawyer that means accepting that an instruction can come through email rather than a conversation, acknowledging the instruction and imparting when they will be able to respond. People are prepared to have an answer which explains when the substantive response will be made. Has that demand come about as a consequence of technology? I don’t think there is any difference to the time when the client would pick up the phone to communicate with their lawyer; they expected the same level of response.”

“What technology delivers,” he points out, “is not just the ability to manage data but for a law firm to identify client connections - the type of work which delivers the best return.

“So the real question is how to take advantage of technology rather than being controlled by it. And that means a law firm has to be very clear about its business objectives, and stick to them. The danger is that technology is applied to replicate an existing process. I think it’s very hard for a law firm to identify how technology can bring about an improvement and then revise its way of working to seize that opportunity. The human condition is that we are comfortable with a degree of familiarity, but the prospect of technology freeing up more time for us to be client-facing should be exciting.”

Parker isn’t sure that the profession needs

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The future of the office

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Mike Parker, Wilsons Solicitors

to worry about artificial intelligence having too much of an impact just yet. “It’s possible now to type a legal question into a computer and it will come out with an answer, but I can’t see how that takes account of very specific client needs,” he suggests. “It is the face-to-face contact with the client which enables the lawyer to engage and get under the skin. So often you can tell more from the look on someone’s face than the words they are expressing.”

As a firm, Wilsons are prepared to drive down the paperless route, and nearly three years ago made a start with their commercial and litigation work. “The problem,” muses Parker, “is that in court a judge might want to see a particular document, and the lawyer can’t say have a look at it here on my iPad. But we are moving inextricably in that direction. I’m a late adopter of Kindle, partly because of my love of books. I treasure the physicality of them, but not when I have to carry them around with me in the briefcase.

“Already every piece of mail or document coming into our building is scanned and distributed electronically. The relevant PA gets it across to the fee-earner’s smart phone or mobile straightaway. And genuinely, digital documents are subsequently easier to find. The problem is compatibility. As with Betamax and VHS in the days of video, it was ever thus with technology. The fact is that not all document management systems speak to each other terribly well or at all.

“Certainly technology has changed the modus operandi of a practice. The whole focus was on letters being dictated, the secretary taking them in for amendment, then bringing them back to be signed. Now partners can type their own letters, and for me, the speed at which my fingers work the keyboard means I have got the necessary thinking time. The point is that technology now enables the lawyer to operate without being completely dependent on someone else. If I have to do something for a client out of hours, it’s possible now when support staff are not available.”

What matters is people accepting IT as a tool, letting it do the job rather than trying to circumvent the system to maintain their method of working, asserts Parker. “But with any organisation which is made up of educated, talented individuals, there will be some who will look for ways of evading the system. That frame of mind isn’t determined by age. Someone who is used to working with technology in a specific way might be reluctant to change. But the march of technology is irresistible and is bringing about change exponentially.

“Law is a much more competitive business, because we’re not immune to a pick and mix approach to procurement. Consumers are prepared to shop at more than one supermarket for different products, and there is no reason to assume that they aren’t going to apply that rationale to legal services as well.”

## Paperless not just generation issue

“I regard it as a supreme irony that despite investing in sophisticated IT systems, law firms will generate the double whammy of having an electronic and also a paper file for a case.” It’s absurd, says Philip D’Arcy, joint managing partner at Blandy & Blandy. “So why do we do it? Electronic systems and the courts aren’t at a point where we can completely dispense with paper documentation. It isn’t just the challenge of getting the older generation of lawyers to accept change, although it does intrigue me that they seem to be much more comfortable with using new technology at home.

“Is it a good thing that the pace of change will continue to gather momentum? Well, that’s how it is regardless of the answer, but I would suggest that fear of change is more disruptive than change itself. I work in an open-plan office now, and yes, I was

concerned because I was used to having my own room. But I now feel we are all part of the same team; there is a real sense of togetherness. I think that helps the process of being comfortable with gradual, incremental change. It would be a big mistake to get over excited by what technology can deliver. It isn't linear or evolutionary but a step process, the consequence of which should enable you to make a leap forward.

"There is value in having an expert to come in to do the process mapping, and it could be that it is easier to implement their recommendations because they are from a dispassionate third-party. The secret is to have a process for those things you can have a process for and not to try and trap everything."

And D'Arcy cites a reason for that. "My experience is that people work in different ways," he says. "Some find it easier to compose a letter or document by dictating it because that is how they were trained. It is probably a truism that younger people are more flexible in their approach, but that is by no means automatic."

"Technology," he stresses, "shouldn't determine how we communicate. A telephone conversation is better than an email but not as good as a meeting. Skype sits in the middle and is technology which you could say should be more widely deployed."

"The point is that managing client expectations is a fundamental. And those expectations have changed from having the lawyer turn on the meter and round it goes until they get the job done. Now there's a requirement for clarity in how long it is going to take and the cost. With litigation, a law firm can argue that kind of detail can only be provided for so many steps at a time, but it still has to be done."

## Knowing how to use the information

Night has fallen, but silently the library at Hart Brown is being updated without there being a soul in sight. The digital reference, replacing yards of leather-bound volumes, is refreshed automatically every twenty-four hours.

But as Nigel Maud, partner at Hart Brown points out, there is still a requirement for lawyers to do something with that information. "IT, as vital as it is, will never replace lawyers," he says. "Technology will enable anyone to research the answer to a legal problem, but most of our clients don't want to have to find out the answer themselves. They want the actual problem sorted out and taken away. That's what they're paying their lawyer for."

He knows though that technology is a double-edged sword. "With the internet there's access to a lot of knowledge and template agreements, and that can be a dangerous thing for clients," he says. "I'm sure our litigation department isn't the only one to pick up a lot of work as a consequence of DIY wills for example. I sometimes have people send me some agreement and ask 'is it OK?' And I say 'OK for what?' I have no idea what the application is until we sit down and determine what they want to achieve. Law by its nature is not one size fits all."

What a law firm should be looking to achieve with IT, Maud says, is to automate as much as possible, which reduces costs and enables a more straightforward pricing plan to be created which will appeal to clients. "Rather than say it's going to take X number of hours we can say it will cost X amount and that's more client focused. Which is important as the environment has become more competitive, with banks, membership organisations and even accountancy firms offering a certain level of legal advice."

The paperless office is still a long way off though, Maud believes. "I thought it



Nigel Maud, Hart Brown

was my age but everyone, right down to the juniors, will print documents off. It's a lot quicker and easier to read a contract that way than scrolling up and down on screen. But that's not so say that we shouldn't have an electronic archive. But then the process of archiving isn't simple; how does a firm decide which files to scan, and going back how many years? I think a law firm probably just has to draw a line in the sand, after which point everything has to be done the new way."

## Balancing speed and efficiency

Quicker doesn't automatically translate as better, suggests Helen Archibald, chairman at Barlow Robbins. "The ease and speed of use of IT in the form of text processing and emails can create real issues for law firms. It's so easy to send something quickly and then think 'actually I could have phrased that a bit differently' and then have to send another version, rather than spend more time thinking about it to begin with."

There can also be a temptation to place too much reliance on legal precedents because of their easy digital availability. "Of course I'm not saying we shouldn't use precedents," she explains, "but when there's pressure on time and price from clients, there's a temptation to use them too much and that can result in details being put into documents and agreements which aren't necessarily appropriate."

"It's getting the balance right between speed and efficiency. It's great that we can send documents quickly and track changes, but it sometimes means that precision of meaning can take second place. Sometimes we should think about something a bit longer."

Emails can be a particular issue because of their tendency to end up in hands other than those originally intended. Muses

Archibald: "There are lawyers who copy clients with chains of emails to other parties, perhaps to show a client how fast they are functioning. But very often you find the client forwards it to other parties and they send it to their solicitors, and there's a tendency to forget what was in the email at the foot of the chain. I tell everyone that emails must be in appropriate language so you are comfortable regardless of who ends up reading it."

Archibald's remit includes being compliance director and head of the risk team so she has a particular interest in the security side of IT. "My view is that when the security of an IT system is assessed, the weak link is always the human element," she says. "If people don't understand the risks and are not trained, IT security doesn't help at all. You can have all these policies in place and we do, but the key thing is training to make sure people understand them and know what they can and can't do. Compliance is costly but in a sense is an investment in customer service. Most of the elements of compliance help us to ensure the integrity of what we do."

A reason why the back office now has to see itself as an intrinsic part of service delivery, because "technology interacts with everything we do." What is critical is having IT specialists who understand lawyers and how they work, says Archibald. "Lawyers are not the best at being creative and have a tendency to think they know best, so there is a need for someone who really gets it that IT has to support what we do and make it more efficient, rather than saying 'you have to use this system' simply because they consider it's the best on the market."

And lawyers tend not to be early adopters. Another reason why before investing in a new integrated phone system, Barlow Robbins set up a working party made up of lawyers, central services staff and IT support. "It means," says Archibald, "that the issues have been properly discussed and everyone has bought-in to the new system right from the conceptual stage."

Technology has also made it more efficient

to record time. The digital system at Barlow Robbins asks for example, if a fee-earner has been on the phone, whether they want to record that time. It's an investment which has resulted in a "marked increase in billable hours."

## Does client want view or review?

If it means that time has to be spent absorbing and understanding content, then for Hemant Amin, managing partner at Charles Lucas & Marshall, there's really only one way to do it. "If all the client requires is an instant, quick view, then having the document up on screen is fine," he says.

"But if a forty-page document needs to be reviewed, I will print it out. Technology is the delivery mechanism for the information, but the preparation of that content doesn't have to be governed by it. I find that paper enables me to absorb information more effectively. It's a different level of concentration. If you're on screen and your in-box pings with notification of an email, then there is a temptation to click away from the document you're working on to look at the incoming mail.

"Unashamedly I explain to clients that I need time to read the document and consider the contents. That is part of managing expectations, in the same way that the 'thinking time' is key to providing the quality of advice that the client expects. Otherwise, what's the point of coming to me - technology can't speed up my thinking process. But what technology should do is free up more time for thinking.

"There is a debate to be had that while the combination of compliance and technology can be a constraint, there still needs to be flexibility to enable a professional practitioner to really perform. Otherwise their focus is on ticking boxes, not delivering value. We can

see that in so many encounters nowadays. Job roles are so dumbed down by technology that people do not use common sense."

"I think we're pretty good at Charles Lucas & Marshall at looking at ourselves critically, to identify strategic issues. We don't just check the conveyor belt to make sure it is running smoothly but to see how we can make it faster, whether it needs more resource. I have realised more and more the need not just to identify issues but to make decisions about them quickly, and a law firm needs a structure to make that happen."

According to Amin, technology doesn't just have an impact on the *modus operandi* of the law firm. "The ethos of technology, making things more immediate, slicker, I think has contributed to a number of practices abbreviating their names to acronyms," he suggests. Indeed his firm changed to CLM for a while before reverting to Charles Lucas & Marshall.

Certainly technology needs undivided attention, Amin believes. "What used to happen is that a partner who expressed an interest in IT would be given the responsibility," he recalls. "That can't happen now. Technology is too complex, too time consuming and too mission critical not to have a dedicated specialist, either in-house or outsourced, dealing it with it. A conclusion I would draw is that lawyers need to be prepared to listen to the experts.

"Technology, like customer care, is not a box you can tick and then move on. And you won't be going home earlier because of technology. It means you are more likely to be doing more.

## Why basic details aren't taken as read

Migrating to the cloud will remove the need for constant maintenance of IT systems and make law firms more efficient and up to date. That's according to Tim Read, managing partner at Clifton Ingram, which made the decision to move to a hosted environment.

One advantage of going to the cloud should be the removal of the need for constant monitoring for viruses, and improved cyber security generally, thinks Read. "As we go hosted that should be less of a problem as we won't have a network here to hack into."

And cyber security of course is at the forefront of law firms' minds. "I was talking to the bank the other day," says Read, "and they were talking about solicitors sending bank details by email. Someone had intercepted an email, changed the payment details and then sent the email on so the lawyers sent the money to the fraudster's account."

That kind of situation, says Read, "creates merry hell" as professional indemnity insurance doesn't necessarily cover it. "And the banks won't pay," he points out. "They'll be sympathetic but they will say we received the instruction from you and we did what you wanted."

So technology means that even taking basic details as read will be creating risk.

"It's now fundamental that we check direct with the other law firm or the client that the account details held are correct," explains Read. "Of course we also have to make sure that the other law firm actually exists, so we have to verify their contact details with the Law Society, too. It's no longer a given."

Data protection is another area of concern and so-called Chinese walls between departments don't cut it, he says. "They're harder to keep in place because of technology, and it could be argued that if you need a Chinese wall it means you actually do have a conflict of interest, which you shouldn't

have in the first place. You could be in the firing line for not acting in the best interests of either one client or the other. We recently took on a solicitor who brought some of his own clients and we found that one of his was in dispute with one of ours. We just had to say, sorry we can't act for either of you."

What technology should provide is agile working, according to Read. "There might be no need for every lawyer to be in the office every hour of every day. As we get bigger, remote working possibly will become more relevant and easier. We can work from home now but it's clunkier now than it will be when the telecoms infrastructure and the internet capabilities improve."

One issue facing the professional services firm is deciding how to charge. "The whole business model traditionally revolved around recording time and charging for it," says Read. "But client expectations change and now they expect to have fixed fees or detailed estimates, just as they expect a plumber or a builder to charge a fee, not a per-hour charge."

And the ability to deliver, well, a timely as well as effective service without it being at the expense of margin is dependent on technology. The very technology which has changed the modus operandi. "There are greater price pressures on law firms, particularly in conveyancing, although the predicted competition from law firms no longer having to be owned by lawyers doesn't seem to have materialised," Read observes. "It is technology which has put more pressure on firms."

## Global presence from from one location

How has a legal practice, albeit one with thirty-six partners and more than 200 staff, become a national player with clients across the globe, yet without having more than one



Adrian Bourne, Stevens & Bolton

location? “That’s a deliberate part of our strategy for the efficiency of the operation,” says Adrian Bourne, chief operating officer at Stevens & Bolton. “Whenever we have thought about opening a central London office it comes back to the fact that we would be creating a level of operational complexity. Under one roof we have twenty-four specialist practice areas, and that requires critical mass which comes from having everyone working together.

“There are three core elements to our plan - to create value for our clients, to provide a great place to work, and to create profitable and sustainable growth. What we are offering our people is an environment they feel comfortable in, and systems which don’t frustrate them.

“Technology enables us, from a single office, to have clients throughout the UK and all over the world. Technology means we don’t need to have an office in the same locale as the client.” The firm recently took the decision to bring in consultants to review further options that technology could bring. “We are currently considering techniques such as automatic document assembly,” explains Bourne.

“Lawyers are inherently conservative with a small ‘c’. But once they get used to being able to immediately access files on screen, they don’t want to go back to waiting for a paper file to emerge from deep storage. One of the ways to wean the profession off paper is to encourage lawyers to have two screens on their desk, so that when it comes to viewing and amending a document, they don’t feel the need to print it off.

“We appointed reps from each department in the firm to discuss how to implement a paperless office and what protocol tailoring would be needed. At the very least this approach enables us to have first movers in each department to encourage others. The imperative is that excluding staff costs, off-site storage can be one of the top five overheads for a law firm.”

Everything which is delivered to the

Stevens & Bolton building is scanned to a particular protected area; the system indicates to the fee-earner that they have something to look at, they do so on screen and then file it electronically. The cost of high speed scanners, a necessary investment, wasn’t huge, says Bourne. All of the originals are kept on site for a short period of time just in case the scanner operator didn’t realise that particular documents had to be retained.

An interesting adoption has been the expenses reporting system, which allows lawyers to scan receipts or even photograph them on their mobile phones and then download the claim straight to the finance department with an electronic signature.

“Technology also enables the partners to have a dashboard to review the firm’s KPIs, with the information from the previous night’s data dump,” explains Bourne. “We can interrogate virtually real-time information across every practice area, lawyer, matter, and client.”

## Effectiveness turns on key ingredient

A paradox of technology is that you can have all the high-tech gizmos you like but unless people are comfortable working with them - and clients also have them - it can never work efficiently. And Frankie Tierney, chief executive and head of dispute resolution at Herrington & Carmichael, says that a “joined up” approach to dealing with cyber crime is essential.

“Clients send their bank details by email, which can get hacked, and there are plenty of examples of fraudsters setting up what look like branch offices of law firms,” she points out. “All this means that firms have to spend a lot of time checking and re-checking all the relevant details. If we get a request to send money we check on a central register that the



Frances Tierney.  
Herrington &  
Carmichael

details match and if they don't, nothing gets sent," says Tierney.

Then the banks will apply their own requirements in terms of dealing with money laundering for example, and will trigger alerts or even stop a transaction if, for example, a client has a name similar to one on a register of suspects. As Tierney points out, the lawyers are not necessarily aware that this is going on and there will be subsequent delays. "We might not get notification that anything's gone wrong," she says, "until the solicitors who were supposed to get the money ring us and ask where it is. If it happens, the client think it's the lawyers' fault. Clients can get very annoyed with the security and risk aspects. They understand but if they're in the middle of packing up to move home and their money gets stuck between banks it's annoying."

With big clients increasingly having email encryption, the firm is looking at whether it should bring in encryption itself. But Tierney

is concerned about the impact on smaller clients which don't have such systems. "It's getting more and more complicated," she suggests.

"All lawyers sigh deeply at the mention of data protection. You get people blindly citing it as a reason for not giving telling something you're entitled to know. I draw the comparison with the way 'health and safety' regulations are sometimes cited for reasons they weren't intended."

That said, it's potentially easy to breach client confidentiality unwittingly, in merely trying to be helpful. "For example," explains Tierney, "the dad of a young, first-time buyer might ring up to ask what's going on. We have to ask the client if we're authorised to tell him. Otherwise, the one time the client says 'no, I don't want him to know what's going on', a secretary with the best of intentions might have overstepped the mark and we would have broken confidentiality."

Another paradox of technology, points

out Tierney, is that by speeding things up and simplifying them, it enables more work to be done, but at the same time, client expectations in relation to timeframe have become more demanding. “Clients expect a much quicker response from their advisers as they themselves can respond straight away to emails on their various devices,” suggests Tierney.

“Technology can make things easier and allows us to do things better but it’s not a given that people will be willing to adopt new ways of doing things. For example, when years ago we decided not to provide hard copy diaries any more, it was only by being completely firm that we effectively moved to that next stage of electronic diaries.”

The profession is a long way off all documentation being electronic, says Tierney, and that isn’t because of any reluctance. “Until the courts are able to work with electronic documents, and that means them having the money to invest in IT, there’s no way we can not have full paper files,” she explains. “We still have lever arch files, identical for all the parties, so everyone in court is looking at the same thing.”

She also wants to be satisfied that automation will always ensure that every document will immediately go to the correct place. “The practice management system can already do this to a certain extent, where email subject headings include the case number, but it can’t do everything, for example if clients don’t put in their case number,” she muses.

She is also aware that digital documentation can be a double-edged sword. “Horrendous mistakes can arise from cutting and pasting or from drafting documents too quickly, especially now that lawyers tend to do their own typing rather than dictating to legal secretaries who traditionally acted as a second pair of eyes. We make it clear to lawyers the importance of reading everything after they have written it. With key documents we have put procedures in place for peer review before they are sent out precisely to catch any such mistakes.”

But even in pre-computer days, she points out, lawyers would adapt existing documents rather than having to start from scratch unnecessarily. “But it’s much easier now to make a mistake because everyone has to work that much faster,” she reiterates. “In the old days, if a document went out and the lawyer realised it wasn’t quite right, it didn’t matter so much, as they could ring the client and say ‘please ignore that, I’m sending another version’. But now, because email is immediate and intrusive, it’s likely the client will already have done something with the original. So if lawyers aren’t going to have the time to make corrections, we have to be probably more conscious of risk management than we ever did before because of IT.”

## Why the purchase is just part of the cost

“You might have a different perception, but law is a caring profession,” says Valerie Toon. And the managing partner of Munday’s pauses to gauge the response before providing advocacy. “Usually when someone is making a particular career choice, it’s either medicine or the law because they want to help. What is important in both professions is that the client has the right outcome.

“Technology should bring huge benefits to the client relationship. Now we can have immediate and continuous dialogue. Lawyers can be self-sufficient in producing their own documents and correspondence without having to wait for secretarial support, and the new generation has the necessary keyboard skills.

“But there needs to be some self-discipline. When the lawyer gets home they could continue to work seamlessly, as if they were in the office. I’m not sure though of the point of opening an email at ten o’clock at night, because there’s nothing you can do about it at that time, so you get stressed, lose sleep, which means you aren’t going to be

able to deal with it so effectively first thing in the morning.”

She also makes the point that purchasing technology is only one element of the cost. “Acquiring technology is easy; utilising it is a completely different matter. I know of a firm which invested in a CRM system but only used perhaps 10% of its functionality. The cost of making change happen, when people are already fully occupied, can be that implementation results in productivity going down and service levels fall. There needs to be a process for changing process! For my money I’d rather people got used to using the screen for editing rather than printing off the document to do it because we’ve already paid for the screens. Any savings are going to come from reducing or removing paper.

“The challenges brought about by technology are continuous, but what is the right competitive response? I was at a function talking about change, and I mentioned the aggressive advertising on our patch by a law firm which isn’t based in our area. I was interested how dismissive other managing partners in the room were about the possible threat. Just because the firm in question might not have got it right just yet, it’s dangerous to under-estimate what could turn out to be a big structural change. Technology means that suddenly the world can alter irrevocably and it can be too late to fashion the right response. The response in the room was oh, I’m sure our client wouldn’t want that. That kind of reaction means you can end up like Blockbuster Video.

“If your technology isn’t up to speed, then your business isn’t. IT is an integral part of your competitiveness, and it just isn’t possible to be competitive going forward unless that is the case.”

## Why security itself is never enough

“Each night we can get twenty attempts to break into our system,” observes Ian Wood-Smith, “whether it’s crooks trying to steal money or kids trying to show how clever they are. That’s the level it’s at.”

But Wood-Smith isn’t the representative of some household name, global brand, or the Pentagon. He’s the senior partner of a law firm in the south of England. “This gives you an insight into how massive cyber crime is, and how prevalent it is,” he says. “Data protection and system security, having the highest and most impenetrable firewall, they aren’t enough.”

And he explains why: “The days of robbing banks with a stocking over the head and a sawn-off shotgun have gone. It’s relatively easier to steal £2million online. Hackers get into clients’ computers and see if there’s a transaction going on or they hack into estate agents to find out who’s selling a house. Then the day before completion, having found the vendor’s address, they use it to send an email to the lawyers saying ‘we’ve just changed our bank account and here are the new details’.”

“Firms are particularly vulnerable to this kind of thing on a Friday, the busiest day for completions,” he says. “Often a PA deals with the mechanics of the completion and she accepts that email from the client saying their bank details have changed at face value. The first time anyone realises that was a fraud is when the client phones and says the money hasn’t come through. By then, the crooks will have opened and closed the account and gone.”

Wood-Smith says the matter of who’s responsible when that happens is a grey area, and lawyers are unlikely to be insured against it. Protecting themselves against this kind of fraud comes down to having efficient procedures such as always phoning the client to check bank details. “Every law firm needs to be on the alert to anyone asking them to

change account arrangements which are already in place. Alarm bells need to go off.”

Managing technology comes down to realising, to paraphrase a saying, that it's all too easy to respond in haste and repent at leisure. “For example,” he says, “our lawyers are advised that if they receive a provocative or rude email, they can acknowledge receipt but should hold off replying for twenty-four hours - and get someone else to check it when they do. And file reviews are crucial, whether paper or electronic; newly qualified staff have their work randomly checked.”

One of the reasons for this is essential, says Wood-Smith, because technology has created a copy and paste mindset. “Before,” he points out, “the need to start all legal documents more or less from scratch meant the lawyer gained a real, first principles understanding of what they meant. But now the speed with which they can be created can lead to a loss of understanding. I know of a case where a lawyer added in a clause that didn't make sense which caused a massive dispute over what it meant.”

It comes down to culture and training people properly, says Wood-Smith. “My view is that the client must be able to understand what they are reading. I will tell lawyers that if they can't explain or justify a clause, they have to take it out.”

Despite the convergence of work and home life, and more communication over the internet, for now remote working is the exception rather than the rule at Field Seymour Parkes. “Everyone was saying ten years ago that we would not need town centre office space but that hasn't happened because human interaction is very important. If you're working remotely you can't just walk into a room and discuss a problem,” says Wood-Smith. “It's fine to work from home on something like a complicated lease, and some people are very disciplined at it, but there are others like me who will start playing with the dog!

“Technology can never replace face-to-face meetings. While Skype in some

circumstances will be better than phone conversations, which can in turn be better than email, all involve a lack of human contact. Just as inspiration and the development of social skills in the classroom comes from direct contact, if you're dealing with tricky negotiations at work the only way to do it is round the table, where you can read body language and make eye contact. The expression ‘you have to eyeball someone’ still holds true. Technology won't replace that contact. Sometimes the traditional ways of doing things are the best.”

## How to avoid the pain of installation

“Technology is not the panacea for everything,” states Christopher Millar, senior partner at Downs, and with some conviction. “I'm probably going to misquote him now but Bill Gates said good technology applied to an efficient operation can improve efficiency, but bad or difficult technology can maximise inefficiencies. The trick is knowing what to bolt on.”

With this being the goal at Downs, who employ more than one hundred people across three offices, the partners read the trade press to keep up with what IT is current in the profession, talk to their IT advisors, and are open to ideas from colleagues. But that's not to say that Downs are an early adopter, adds Millar.

“Technology plays a part in what we deliver but we're not a 24/7, all you can eat for £15, fill in your details on screen kind of firm; we're not in that market. We're not cutting edge so if something is working we won't rush to change it. That's not to say if it ain't broke don't fix it,” he emphasises, “but we take our time.”

He's learned from the experience of trying to implement a new practice management system (PMS) a few years ago.

“We had some degree of difficulty,” he says with understatement. “When we opened the box and really looked into it, eyebrows were raised,” he recalls. “What we thought we’d bought was not quite what we wanted in terms of management and processes. It was much more of a shell than we anticipated and required a lot of tailoring. There were issues integrating it with the accounts system and with Outlook, for example. I’d be surprised if other law firms our size have not had similar issues too.”

“Tweaking” it took “six months of pain” and led to demotivated staff coming up with their own workarounds, which meant processes became inconsistent. As a consequence, the entire workforce was interviewed by a project manager about all aspects of how they work and what they wanted to achieve as part of a thorough review of processes, in order to ensure consistency across the firm. The upshot was a thirty-page report, which flagged up some issues, such as how long it was taking to open a new client file. “With hindsight,” says Millar, “we should have invested more time and resources in the lead up to implementation.”

Lesson learned, and with that review behind them, Downs have been looking at a new PMS, and this time, with the hindsight of the previous experience, the firm is much savvy. Millar says they are “testing it up hill and down dale, from every angle,” and from the point of view of both the fee earners and the support staff.

His aim this time round is to minimise the drama of implementation. “We’ve been through the pain of data transfer and are far more experienced in programming the workflows that will implement the processes we wish to adopt,” he explains. “We will be far more advanced in terms of training before we switch anything on. I can tell you that a vital ingredient to get better processes is to consult and then work with the people who are going to have to use them.

“Before the board makes a final decision, I want the staff to say yes, this is going to work.

Only they, and not some external consultant or the trade press, understand the true nature of their work and how IT can help them.

“Last time we failed to engage everyone; people were saying oh it doesn’t do this and it doesn’t do that, that the system had been foisted on them, and there was an element of truth in that. So it’s important that everyone buys in this time. Consultation is dead time in a way but it’s important and means processes that took twenty-five clicks can now happen in seven.”

The firm has a technology committee which includes three partners and support staff, Millar believing IT should be both a board-level and a user issue, to ensure that fee-earners are really engaged with this vital area of the firm’s operations. It also means that the firm gains an in-depth understanding of how IT impacts on lawyers. “Commitment and motivation have to resonate throughout the firm from the top down. Everyone is part of a jigsaw and we all work together,” he says.

But no matter how good the processes, Millar stresses that “delivery of service is very much a relationship thing – we don’t view clients simply as the transaction. They are individuals with diverse characteristics and requirements and we need lawyers and systems able to really relate with them.”

For one thing, says Millar, that means communicating with each client in the way they want. “There are some law firms which will send out text messages,” he says. “We do that but we also call. Texts and emails can be rather impersonal and you don’t always get the intonation right.”

And he’s aware that the speed of composition and dispatch of emails compared with sending letters can lead to errors. So every fee earner who’s been at Downs for less than three years has to have their advice checked by a second pair of eyes if it’s going to be emailed.

“We have processes whereby people are told to stop, think and check before sending an email,” explains Millar. “Even if the email you’ve received might drive you to the end

of your tether, maintain logic and even-temperedness before replying.”

He does think that at some point, the paperless office will become reality. “There’s a lawyer down the road who claims to be completely paperless already,” he muses. “His office looks rather odd as there’s nothing in it! I asked him ‘what happens if your client wants paper?’ and he said he wasn’t interested in having clients who wanted paper!”

But for now at Downs, an estimated 50% of the firm is still paper heavy, Millar among that number. “I’m not sure a diktat would be terribly constructive,” he avers. “Some people are happy to compare versions of documents using two screens. Others – and I put my hands up to being one of them – feel the need to handle a document, see it, feel it, mark it up. We’re not dinosaurs, but neither are we androids.”

But he values online research and training resources though, which has meant being able to dispense with the traditional shelves of legal tomes. “Our knowledge management is all on line. The text books you might have seen here are only shelf-fillers to create legal ambience!” Millar smiles. He’s also comfortable with the way that IT is enabling fee-earners to work outside the office. The firm has a Bring Your Own Device policy to enable remote and home working. “This flexibility allows fee earners to work on projects as and when they need to, and also helps maternity returners,” says Millar.

There are security issues to address, but where isn’t there with IT. “I did seminars about data protection this year and was data’d out by the end of it,” says Millar. “Technology opens up more opportunities for third-party intervention, like the bogus emails that try to change a client’s bank details on a Friday, and cyber squatting, where fraudsters create mirror websites of respectable firms. Whatever security systems you have, it is likely that the issue will be a human error.”

But does he think that eventually computers will be ‘calculating’ and dispensing legal advice? “That’s a far-fetched idea,

perhaps, but I would make the point that given the pace of change of technology it’s much harder for a law firm to plan. I don’t think anyone can foresee what technology we will be using in five years’ time,” he suggests.

“That’s a reason why you can’t be led by technology. You can’t go out and get this or that technology just because the firm next door has got it – that would be gizmos for gizmos’ sake and extrapolating that, constantly upgrading would probably have an adverse effect on efficiency and productivity. We’re interested in technology that will last, so we judge it very much on what we think will last us for five years. If we can provide service that clients want - at a price they want - and make a profit, without investing in the just launched, best next thing, so be it.”

“Richard Susskind, who wrote the book ‘The End of Lawyers?’ thinks the legal profession may ultimately be challenged as a profession by technology. My response is yes and no. Certainly we need to deliver a service which today’s clients’ want, but we must always be alive to the risks, and mustn’t lose sight of the fact that the personal relationship we have with our clients is key.”

## Consciousness to keep costs down

“I see our role as treating the whole patient, to be able to cover all of the requirements a client will have of a law firm; more than that, to anticipate them.” That’s the view of Mark Lello, managing partner at Parker Bullen.

“What are the big chess pieces on the board; what has to move to better meet or fit market requirements? If a firm takes the decision to expand, and rapidly, then it needs a platform which can expand with it,” he suggests. “We took the decision to virtualise our IT and to trial a paperless system, inspired by a new recruit who hadn’t used paper files at their last job. All of our data is encrypted and protected, so the new system provides us



Mark Lello, Parker Bullen

with the platform we needed for expansion without incurring additional cost.

“I think there has to be a consciousness at all levels of the firm to keep printed copies down to the minimum. The cost of archiving is huge and it doesn’t get any smaller. I don’t buy the notion that paper files are a comfort blanket because of their physical presence. It’s not the case is it, because eventually they’re collected by vans and taken to a remote location. With the file on the system, we can call up a document in three clicks rather than having to have the warehouse searched.”

According to Lello, “In the same way that the mystique of the law has begun to melt because of the sheer amount of information which can be accessed on the web, so has a sclerotic approach to communication. “But,” he says, “we have to be careful not to fall into Hi George, Cheers, Harry type chat mode with emails. We’re providing professional advice that clients rely on and our style has to reflect that.

“How we triage emails is important. A lawyer’s relationship with the client should mean that they know the work is being done and that they don’t have to chase up their adviser to make sure it is. Ultimately, no matter how quick the delivery mechanism, it still takes time for a lawyer to do what is necessary to express a view. Madness and danger lies in responding immediately just because technology means you can, because the likelihood is that the response will be at best glib and at worst, not properly thought through. But I’m not saying that technology can’t speed the actual process element. Before, a document would be amended with annotations by hand, bits of it retyped, and then printed out again. Now it’s done on screen and can be back over to the client probably within the hour.”

“With a commoditised offering,” says Lello, “clearly what happens when the client hits the button on screen will make the difference, but for clients who like dealing with real people, technology can’t replace

the relationship which will be based on the lawyer’s warmth, sense of commitment, and charisma. I wouldn’t say that it can even enhance it. With a commoditised scenario, in theory the price drops if competitors reduce theirs. With the relationship model, price isn’t related to what competitors are charging - it’s the synchronising of what the client expects to pay and what we need to charge. Our strategy is relationship-driven expansion of our advice and value model.

“As managing partner I have to be realistic about technology and how it can help our firm to continue to deliver that model. My job is to do the stress testing. Let’s take speech recognition or the electronic provision of precedents. Is the technology is too complex or too simplistic? If we’re going to make the investment, we need to know it’s going to work for us.”

## Why welcoming change will happen

“On the whole, technology and change are not always a welcome phenomena, for the most basic of reasons that law firms are historically risk adverse - and of course with any change there is inherent risk.”

But, continues Ben Summerfield, director of Copyrite Business Systems, ‘first and foremost, law firms now think of themselves as businesses, and have the infrastructure to make them efficient, customer-focused, and competitive. And, he says, that can’t be done without an investment in technology to deliver it.

“What we are seeing, and not just in professional practice, is that margins are being squeezed as technology has enabled competition to emerge from different angles. To some extent, services are being commoditised and the internet is fuelling competition. What law firms are doing to meet the challenge is to accept that

efficiencies have to be found. Investment in technology helps provide a better interface with the client, freeing up vital time so that fee-earners can more readily speak to the client in person, something the internet cannot offer.”

Which is where the proverbial chicken-and-egg makes an appearance. “Time really is money for a lawyer, and every minute not directly related to the client may be perceived as wasted,” explains Summerfield. “So a lengthy discussion and evaluation of the possible advantages of some new technology isn’t always well received. Post implementation, absolutely the advantages are appreciated because of the tremendous improvement in working practise, so the time involved up-front should equate to an investment in order to achieve those gains.

“I think there can be a structural problem as well. Typically the senior partner not only has experience but a considerable investment in the firm, and the longer times involved with getting a return on a larger investment at this stage of their career can prove less attractive. Also there is often the reasonable justification for maintaining the status quo in that if the business is doing well, why rock the boat?

“Generally speaking, law firms, in terms of their fee-earners, are largely made up of three component parts - well-established partners who are three to fifteen years off retirement and tend to be more conservative. The middle tier consists of lawyers with varying degrees of readiness for the adoption of new technology, while the latest generation, who have been brought up with IT from their schooldays, tend to find paper files cumbersome and annoying.”

Summerfield understands why there can be a desire to physically keep hold of data - whether in paper or digital form: “There is an issue with putting data into the cloud, because for a law firm it needs to be stored in this jurisdiction, not in the US for example. So given that storage has to be in the UK, there aren’t so many options available. Given

the latest news stories and the increase in cyber-crime, security has never been such a valid concern, but I don’t think it can be a justifiable reason for not considering new technology. The focus must be dual aspect so that we deliver efficiencies as well as a robust, secure environment. There is no doubt, with the likes of huge corporations being hacked that there is a real challenge for any firm with an internet connection to their dataroom.”

According to Summerfield, a fundamental change has already taken place in the relationship between IT and the professional practice. He explains by way of example: “There is still a place for the traditional High Street practice, if only because of the long-standing relationships they have with clients, often spanning generations. But they still need to invest in technology; perhaps it’s not so much about using it to gain a competitive advantage but to actually be able to function.”

#### Reference

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