

How can law firms innovate?



Innovation is the key survival strategy for law firms in a rapidly changing environment, say Eversheds' James Batham and LawWithoutWalls' Michele DeStefano, and there are three stages to the process

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Look in the dictionary and you will find two possible meanings for 'innovation'. First, there is the 'eureka' moment, so named when Archimedes stepped into his Ancient Greek bath and discovered an accurate way to measure irregular objects using displacement. The second meaning however, emphasises the continuous journey of adaptation, evolution and improvement.

For lawyers, it is that ongoing journey of adaptation, evolution, and improvement that creates real innovation and, importantly, better client service. Simply, innovation is adjusting what we do and how we do it for our clients. How can you enable this and make innovations happen? Here are three of the important steps:

1. Idea Generation

Innovation starts with the generation of an idea. The inspiration for that idea can come from a competitor, a business in another sector or your network outside of the firm. It can come from success in other industries. Or it can start with the identification of a problem. Regardless, it comes from questioning, observing and associating. The source doesn't matter so much as generating and then capturing the idea. In practice, this means inspiring –and rewarding – idea generation is critical.

For law firm leaders, fostering a culture that encourages idea generation is one of our most important responsibilities. At Eversheds, we use a range of practical incentives including our 'Heros' scheme which is a modest, on-the-spot, and fast reward for ideas, with large prizes of £20,000. This reinforces our broader support for innovation, which is also linked to the key performance indicators that determine pay and promotion prospects.

The mechanisms for supporting an innovative culture are myriad. What is important is that the system must remove the "fear factor" that people feel initially when making a suggestion within any traditional hierarchy. That is a challenge in a business that rewards people who are trained to know all the reasons why something will fail and who are trained to avoid risk. Nevertheless, to repeat, innovation depends on idea generation. To that end, a leader's role in idea generation is sometimes not to lead but instead to enfold, to say "yes and this is how we can take this forward".

2. Collaboration

This next stage is even more critical. Having harnessed the idea, it's time to tackle a thorny problem, that is, convincing lawyers, particularly those with a more traditional outlook, to collaborate as widely as possible – and with people from different areas in the firm and different offices – in developing the idea before anyone becomes convinced it's a solution ready to go. At Eversheds, we have found that when this works – and before we even calculate the benefits to our clients – the fostering of innovation by collaboration has a huge cultural pay-off for our people. Our best people feel valued and included.

But that word 'value' is a stickler. How we value collaboration and innovation and how we measure progress and return on investment (ROI) must change because productivity can go down initially when we put people on cross-functional teams and charge them with co-creating new processes, new products, and new service paradigms. Additionally, how we train our people – if we are going to expect egalitarian collaboration – must also change, which leads to our third point.

3. Training and Practice

Anyone can form ideas, but learning how to collaborate and idea generate in multi-disciplinary, and multi-generational, teams made of lawyers and non-lawyers from all parts of the firm – and all over the world - is a challenge. Learning how to combine business and legal analysis, and harness the talents of teammates from different levels of expertise, to move an idea from 'half-baked' to great takes skill and practice. The skills are different than the traditional lawyering skills taught ten to twenty years ago in law schools, and include technology, innovation, project management, teaming, problem finding, leadership, business acumen, social networking, and cultural competency. Moreover, these skills aren't the type of skills that are easily taught in traditional law firm training, a law school, or executive education class. They are honed by doing, repetitively so. Law schools and law firms need to invest effort and time in their people to develop these skills. To do so, law schools and law firms should create new interactive and interdependent partnerships with law schools, the business industry, and with clients whose purpose is to collaborate and innovate.

It is for this reason that Eversheds sponsors LawWithoutWalls, a part-virtual collaborator in which junior lawyers from Eversheds and their clients mentor teams of law and business school students from around the world as they develop innovative 'real-world' solutions to problems in legal education and practice.

James Batham and Michele DeStefano are guest faculty members of IE Law School's annual Lawyers' Management Program (LMP), which will this year take place in Madrid, Spain on 9-14 March 2015. For more information, please contact:

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