

Alliances shift up a gear

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The legal profession has undergone a sea change. The once-traditional industry now uses the term "innovation" as casually as it did "precedence". Evidence of this can be seen throughout the Financial Times Innovative Lawyers 2013 report - some of the initiatives featured in the ranking tables would have been unthinkable just five years ago.

For example, a quick glance at the value resourcing table shows how the move to adopt efficient service delivery models is well past its tipping point. Five years ago, few managing partners in the top 20 law firms thought that legal process outsourcing was relevant to their businesses. Now, many have gone several steps further and have opted for their own facilities in low-cost UK locations to offer volume or cost-effective legal services. One example is Simmons & Simmons' Bristol office, another is Ashurst's Glasgow facility. But more interesting is how many firms are unbundling their services to deliver them more cost-effectively.

The need for flexible, cheaper legal services has driven the exponential growth of start-ups such as Obelisk, a company set up to enable working mothers to maintain a foothold in their careers through short-term contract work in legal departments. After just two years, it has 500 lawyers on its books. Berwin Leighton Paisner's Lawyers on Demand, a flexible, legal contractor resource, was a pioneering winner of the FT client service award in 2008. It has been emulated by others such as Pinsent Mason's Vario, set up in January 2013.

New delivery models may be the most visible signs of the changes in the profession but there are subtler indicators of how much the lawyers' mindset has changed.

The 2010 edition of the FT report was themed as the Collaboration issue. However, the idea was ahead of its time, and the research team that year could find few examples of different partnering arrangements. Just three years later, though, there are so many examples of new collaborations that there is now a specific article exploring them.

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> Collaboration is important because the law has traditionally been a vertical profession in the sense that the career track is linear. Lawyers tend to work in law firms with other lawyers, and then for lawyers at client companies. A significant number often marry each other. The opportunity for exposure to new ideas and networking outside the profession is limited.

But a 2002 Stanford Business School study of 750 of its MBA graduates showed that those with horizontal network of peers were more likely to become successful entrepreneurs. Horizontal as opposed to vertical networking is, say academic commentators, more conducive to innovation.

The explosion of collaborative solutions highlighted in this year's FT report shows a profession that is becoming more open to new ideas. Particularly significant this year is the number of innovations that have been driven by non-legal professionals working in law firms. For example, for the second year in a row, the top 10 innovative individuals profiled in the report include a non-lawyer, Marc-Henri Chamay, managing director of eBusiness at Allen & Overy. He has initiated many of the firm's technology innovations for clients and helped it secure a record number of years at the top of the FT Law 50 ranking.

Traditionally, law firms have not been respectful of the talents of the other professionals working in their businesses. Empowerment has been hard won. Mr Chamay is the first non-lawyer partner in a magic-circle law firm - one of the top four UK-based firms. "I have had a driving passion to reduce that line between lawyers and non-lawyers," Mr Chamay says. But he admits that change has been incremental. "The legal profession is on a long journey of changing the way it uses non-lawyers. When you look at all these new models appearing, you can see that you will need professionals who are not lawyers to drive that change."

The hallmark of Eversheds, another perennial performer in the FT Innovative Lawyer reports, is its ability to utilise its internal business professionals and collaborate with outside agencies to encourage new ideas. This is reflected in one of its latest alliances with Miami University on its Law Without Walls programme, which seeks to tap the creativity of young law students about the future of the profession worldwide.

A result of more collaborations by law firms with both lawyers and non-lawyers, internally and externally, is potentially a paradigmatic shift in law firm culture. Currently even internal collaboration between partners in the same firm is not a default setting for firms. Getting partners to stop guarding their work is not straightforward because of the way many firms compensate them and the fear felt by partners that if they share work they risk losing clients or personal billings. "Partners are coin-operated," is the complaint of one leading law firm's chairman. To get over this, some law firm leaders are now consciously putting culture at the top of their agendas for change.

Simon Davies, the managing partner of Linklaters, this year's top-performing law firm in the FT report, says: "We are focusing a lot on culture." In particular, he adds, the firm is more accepting of potentially winning strategies that also run the risk of failure.

For a high-performing, long-established law firm such as Linklaters, this focus on creating the right cultural conditions for lawyers to take more risk and be more experimental is a reflection of the degree to which innovation has become embedded in the sector.

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