

# Briefing

THE STRATEGY ISSUE

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*Interview*

## Dan Fitz, BT's GC

BT's in-house legal head tells us how to please clients like him and why your competition just got more interesting

*Feature*

## Fighting it out

Law firm leaders and big business GCs talk change and opportunity in a fragmenting market

*Essay*

## Deep blue

Can Blue Ocean strategy save legal?

*Industry views*

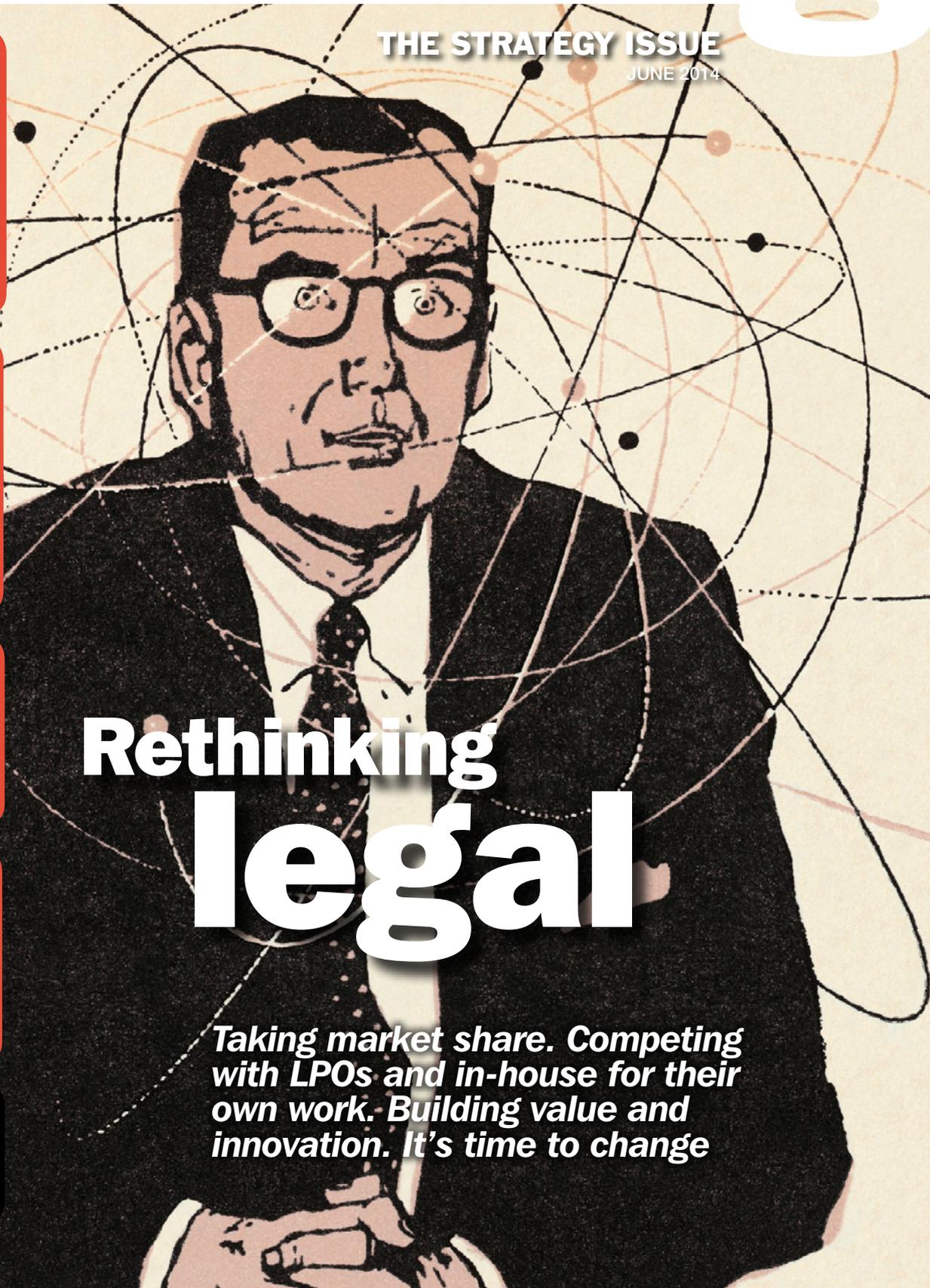
## Boxing clever

Insight and analysis from leading suppliers to legal

Briefing jobs:  
Senior roles across  
the board on our  
jobs pages

# Rethinking legal

*Taking market share. Competing with LPOs and in-house for their own work. Building value and innovation. It's time to change*



A photograph of Chris Labrey, a middle-aged man with a shaved head, wearing a dark blue suit jacket over a light-colored shirt. He is leaning against a dark brick wall and looking towards the camera with a slight smile. The background is slightly blurred, showing a green bridge structure and some foliage.

*Briefing Industry Interview*

# Towards tomorrow's firms

**Deciding what your firm is – and, crucially, what it isn't – will bring firms toward a more commercial and sustainable future, says Chris Labrey, UK country manager at Econocom**

**Companies like Econocom, which specialises in financing technology, see a lot of strategies in many sectors. Chris Labrey, UK country manager at Econocom, is watching the legal sector as it changes, growing into what it will be. There are many lessons law firms can learn from other sectors, he says, and many ways in which firms must change now – or they'll be bought out or pushed out of the market.**

“There's a clear need to change. Sir Nigel Knowles said that firms who fail to modernise will cease to exist, so the minimum you need to do is keep up, and to keep up firms need to

modernise their structures, internal processes, the way they go to market, and the way they interact with and understand their customers.”

There's an increasing number of non-traditional providers of legal services nibbling away at market share, he says, and some more traditional firms have made radical steps to improve themselves and modernise to take market share from their competitors. There's also the threat of consolidation in the market – if a firm can't keep up, it's now likely become a merger target. This is further driving larger firms to take market share, and it creates larger firms that are bigger threats to mid-tier and

other smaller legal businesses.

So, firms need to look in a mirror and think hard about what they are not as much as what they are. There's a good – and recent – example to draw inspiration from: banking. At the end of the last decade, he says, the banking sector went through a crisis, “and the phrase of ‘disposing of non-core assets’ was a regular mantra”. Banks realised they owned or operated business units that did things they just didn't need, or shouldn't do. This is something, Labrey says, many law firms could learn from.

It applies particularly to an area that is one of legal's big issues, according to Labrey: fixed and alternative fees. “You don't necessarily want the entire firm to go down a fixed price route. So you could construct a conveyancing business, or a business for the more commoditised activities, that work fixed price that are separate brands, leaving the original firm free to continue on its more traditional route, for example.”

Doing something like this with a legal business has other, finance and operational advantages, says Labrey. “When every part of the business is lumped in together, it's harder to work out which elements are profitable and which are not. If you mix high-volume/low-margin business in with low-volume/high-margin business, you won't easily be able to see it.”

Many legal businesses might make the mistake of equating modernisation with the adoption of IT, but that would be a mistake. “There's a lot of great technology out there that can boost a law firm, but just buying it is not going to fix your problems.” Nonetheless, there are technologies that have become essential, says Labrey, in giving a firm the power to lead rather than just keep up. “Accurate price modelling is something that can really improve the business process of a firm. Modelling the resourcing of legal work and analysing the cost

of the job empowers partners to a) price a job correctly, and b) know that they can't offer the significant discounts like they used to.”

Another significant way in which technology can create competitiveness is in what Labrey calls ‘client capital’ – systems that can make fee earners and business services people such as key account managers much better informed about what clients want and what they might want.

But on the route to a more efficient, more competitive future, we keep returning to ‘why’ a firm is going on that journey – what it decides to be. This starts where your firm is now, not at some wondrous future point, says Labrey. “Short of acquisition, you have the skill set of the partners in front of you, and that's what you need to work with initially as a guide of where you want to go. No one's expecting legal businesses to completely reinvent themselves overnight. There are many pressures out there, around managing succession, how firms will rethink remuneration, for example. These are issues that can be addressed today.

“What will the corporate governance and structure be in 10 years' time in your firm? Can many more large firms become limited companies? That's very unclear, but there's a lot they can do today, such as do what they do better, drive efficiencies, put clients first and make sure they've got their costs under control.

“But the DNA of what the firm wants to be in the future is front of you today.” The journey is to grow the firm into what it can be – not just into what it is now.

Find out more about  
**Econocom**  
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