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Firms are looking to try to secure specialist resources that can do things faster and better while also reducing the management overhead. But they first need to understand their expected demand

TO THE POINT

Priority productivity

As 2021 starts, there seems to be a real focus on productivity and project management. It's not just the government's vaccination programme – law firms also appear to be on a concerted drive to improve productivity. This is manifesting itself in a number of conversations that we're having.

Our various business intelligence teams are busier than ever – there's a drive for more data, and for it to be more granular and real time. We heard mention in one of our early **Briefing** Tiger Team conversations of this requirement for firms that were working on Covid loan schemes, but we're increasingly hearing about data concerning practice performance as well. Firms want to know: How long does it take to open a matter? Why does it take so long to complete billing? When it came to firms' Covid responses, things were rushed into place – the platform for change has been established. So now there is a more considered approach. What is the elapsed time at each step? Does it differ by user, practice, geography or client? The tools are increasingly there to answer these questions. The challenges when answering are the quality of the data and the skillsets. Having the tools, and using the data, allows firms to see where they have training needs, process improvement opportunities or cultural change requirements.

We've also been hearing that firms are uncertain about what 2021 will be like. In the main, 2020 held up well for firms that were not too specialist and caught in the wrong areas – this surprised many. The key to increasing productivity is being correctly resourced – not over-staffed, not too stretched. We're seeing firms looking to reduce their fixed cost base, and the number of managed service or 'outsourced capability' conversations we have in flight has almost doubled in the

last three months. Firms are looking to try to secure specialist resources that can do things faster and better while also reducing the management overhead.

But, to capitalise on the specialist resources firms have, they first need to understand their expected demand. As was highlighted in the recent Tiger Team at **Briefing** 5P session, Kirsty Shenton of Mills and Reeve, Ruth Ling of Taylor Wessing and Sid Welham of HFW all talked about their firms getting closer to clients. Marc Yaffe particularly emphasised JMW's focus on tracking referrals more closely. We are working to get better visibility of – and confidence in – pipelines of work. With remote working, firms are doing what has been advocated for years – focusing on their existing clients' needs and working the existing referral relationships, rather than pursuing new clients. Increased confidence in pipelines and forecasts allows firms to manage work better – ensuring that individuals are not forgotten and everyone is fully utilised; that work is based on expected demand – thereby increasing profitability – and over the longer term allowing firms to invest in growth areas.

Our sense is that in 2020 firms were forced to put things in place – whether it was technology, working practices, new metrics or measures. They were put in place quickly and, to a greater or lesser degree, adopted. Firms have demonstrated that the world doesn't fall apart if things aren't perfect on day one. In 2021 we sense that there is now going to be a focus on driving productivity – getting the value. The data will be the light that guides and directs firms – be it increasing utilisation through better revenue forecasting, accelerating billing processes, or reducing the cost of IT delivery. Will 2021 be a year of small projects and tighter management rather than project management of big projects? We expect so.