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From competition to collaboration

David Rymer

MINTER ELLISON

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Law firms operate in increasingly competitive and dynamic environments. Globalisation, economic and competitive pressures, deregulation, talent wars, increased lawyer mobility and managerial 'professionalism' have all combined to increase the complexity involved in managing a law firm. Faced with these challenges, some firms have sought to 'bulk up' in size by buying market share; others have looked to specialise in niche practice areas, invest in technology or enhance shared services capabilities.

Australia's legal sector represents the culmination of the economic forces unleashed during the 1980s and 1990s. Today, Australia has one of the highest per capita ratios of lawyers in the OECD. Our corporate law firms also tend to be bigger and more numerous than comparable economies. Moreover, these large firms look to provide a full spectrum of corporate legal services to clients. One outcome of this growth in revenue and lawyer numbers has been the emergence of diseconomies of scale as law firms struggle to establish an effective approach to leveraging cross-practice, cross-office knowledge and expertise in an uncertain business environment.

Collaboration can be a powerful tool in enhancing organisational effectiveness and harnessing external networks. This article focuses on the economic and cultural drivers for internal collaboration within contemporary law firms.

Law's new economics

Like many industry sectors, the law has struggled to come to terms with change. In the front office, email and the internet have collapsed the timeframe lawyers work in, fostering client expectations of a 24/7 'always on, always contactable' responsiveness. In the back office, it has led to an explosion of information that lawyers must digest, placing a premium on a firm's ability to marshal its collective resources, corporate memory and expertise cost-effectively, regardless of geography.

Socially, the established path to partnership from junior lawyer to senior associate is breaking down today. Lawyers have many career options open to them — fewer and fewer lawyers are spending more than four years in a large corporate law firm. Exceedingly long hours coupled with a high pressure competitive environment holds limited allure for young lawyers.

In his novel, *Hell Has Harbour Views*, barrister Richard Beasley captured some of the factions and fault lines that run through large, complex legal practices: 'No people are more competitive with one another than lawyers in a partnership. Over billings. Over clients. Over office size. Over money. Over Tim Tams. It doesn't matter.'

This image reflects a 1980s business model where hierarchy dominated. It is an image increasingly out of step with the pace and complexity of modern organisations and is ill equipped to cope with the competitive demands of a global legal marketplace.

The product is knowledge

A law firm's only product is knowledge. As connectivity shrinks the world, ideas and information are becoming the lawyers' currency. Ideas are changing how firms and their clients relate and do business. Greater emphasis is being placed on how the firm responds to, innovates and learns from its commercial environment and how it may become more agile and adaptive in solving client problems.

The cultural drivers for these changes are in direct collision with

greater the danger that its costly infrastructure will not be effectively leveraged.

As law firms become less hierarchical and more dependent on teams and networks, collaboration becomes increasingly important. Collaboration facilitates knowledge sharing and fosters the formal and informal networks that help the organisation to make sense of its client environment. This collaboration also spurs innovation and conveys competitive advantage by introducing new knowledge, new interactions and

Without collaboration, the larger and more complex the firm, the greater the danger that its costly infrastructure will not be effectively leveraged ... Collaboration facilitates knowledge sharing and fosters the formal and informal networks that help the organisation to make sense of its client environment.

the law's traditional, hierarchical based model oriented around practice groups with capacity often managed at the individual partner practice level.

Innovation and adaptability requires different organisational forms. Law is increasingly becoming a team based business where performance is driven by the ability of the firm to bring together a coalition of legal and specialised knowledge and resources around a particular client or transaction. These cross-functional team skills may sit in a loosely structured central group or be brought together as required around specific clients or transactions.

Why collaboration?

Collaboration may be defined as 'transferring and sharing information and knowledge among colleagues, clients and partner organisations'. In a turbulent business environment, effective collaboration is crucial to an organisation's performance and its ability to learn from its experiences and innovate. Without collaboration, the larger and more complex the firm, the

supporting extended networks to the firm.

Unlike traditional hierarchies, where responsibility for innovation and change lie exclusively with the partnership, in an adaptive, collaborative culture all staff are actively engaged in the process of bringing new knowledge and new ways of thinking to bear on a widening range of increasingly difficult and paradoxical issues.

Benefits of collaboration

Collaboration increases the firm's long term competitive viability — its ability to source the best clients and the best work. Collaboration prepares the firm to cope with ever shifting changes in demand for legal services and other competitive pressures. In effect, collaboration raises the gene pool of the firm by:

- enhancing client intimacy;
- increasing margins through improved leverage;
- reducing unbillable hours;
- lifting organisational effectiveness; and
- raising staff engagement and satisfaction.

Collaboration also delivers significant 'soft' benefits by:

- clarifying a common vision and shared purpose;
- agreeing on behaviours and ground rules;
- discussing roles and procedures;
- setting up regular dialogue with team members; and
- celebrating success.

In short, collaboration simply treats a firm's collective knowledge and relationships as critical corporate assets which need to be supported and managed.

Getting started

Kick starting the shift from competition to collaboration is as easy as asking six simple questions.

- What are the current ways in which people collaborate?
- Which staff, routines and decision making processes help or hinder collaboration?
- Which staff, routines and decision making processes help people engage in meaningful conversations?
- Which behaviours or rewards steer people away from collaborating?
- With whom do people collaborate and for what reasons?
- Who are the internal champions or killers of collaboration?

Fostering collaboration

In some law firms, a culture of 'knowledge is power' leads lawyers to believe their careers depend on their ability to build a unique knowledge base. Sharing that knowledge dilutes its value and undermines their claims for advancement.

Resistance to change stems from fear — worrying about job security, feeling a diminished personal value or the uncertainty of having to learn yet another skill set. This fear is a powerful emotion and must be dealt with honestly. The firm's leadership needs to explain how collaboration will help lawyers and support staff to contribute in new ways that add greater value to the firm.

Overcoming resistance to collaboration involves balancing the conflicting needs of the law's traditional hierarchical structure against the less defined work involved in exploring and

investigating new ideas and ways of working. The best results stem from understanding lawyers' practice development needs, their competitive position and the real value of their intellectual property.

Collaboration is proving particularly effective in developing a streamlined approach to implementation around transactions, where the incremental costs of not having standardised processes across a practice group can be deceptively large.

These team based initiatives also need to be supported by changes to the firm's reward and recognition program to include team based contributions to non-billable hours. Nothing kills collaboration in a law firm as effectively as leaving an unmodified revenue based reward and recognition program in place.

Similarly, the closer integration of the learning and development and knowledge management functions provides a more holistic approach to the types of team based organisational development interventions that is required for collaboration to become entrenched as 'the way work gets done around here'.

Summary

Collaboration offers law firms a new economic model. Potentially, it shows the way to greater organisational effectiveness. However, taking advantage of the opportunities offered by a dynamic knowledge economy can be demanding.

Collaboration increases the firm's long term competitive viability — its ability to source the best clients and the best work. However, collaboration requires a highly flexible and adaptive response that harnesses the full potential of the firm's resources — not just that of its partners. ●



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David's role encompasses the firm's knowledge management, library and precedent services, together with intranets, collaborations and client facing techniques.

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insights FROM ALPMA

Bronwyn Pott SWAAB ATTORNEYS

This is the first of what will be a regular column from the Australian Legal Practice Management Association (ALPMA), which will feature articles from members and commentary on developments in the industry. Bronwyn Pott, Treasurer of ALPMA, begins this column by providing a short history of the association.

When people have asked over the years 'Why would you bother with a professional or industry association?', I have asked them if they had any idea of the benefits of association membership or the opportunities which exist for personal and professional growth when you volunteer to assist with a 'not for profit' organisation.

I realise that the legal industry isn't the first place you would normally look for a 'not for profit' organisation, but ALPMA and its constituent member associations have been operating for nearly 20 years, quietly working to meet their charter objectives to:

- improve the quality of management for professionals engaged in legal practice;
- promote and enhance the competencies and professionalism of legal practice management; and
- represent professional legal management and managers to the legal community and the community at large.

Managers can feel isolated in an organisation, and in professional service firms the divide can be significant. Unless the organisation is of a considerable size, someone in a functional specialist role will likely be the only person with that background. Similarly, in smaller firms a single professional manager will have a very different skill set from the other professional staff, and that in itself can be isolating. A partial cure for that isolation can be found in industry associations or networking groups where managers with similar roles share their experience and knowledge,

providing mentoring and support to their peers. An industry association with a diverse membership base also provides an opportunity for members who hold functional specialist roles to broaden their knowledge base and, in turn, add value to their own roles and careers.

ALPMA was formed in 2001 to provide an umbrella body for the various 'law office management' and the 'law practice management' groups operating in Queensland, NSW, Victoria and SA. The intention was to create a single peak body representing management in the legal industry. With seed funds from the US Association of Legal Administrators (ALA), pro bono help from a number of large and small law firms, and a lot of after hours meetings by the representatives of each state body, a constitution was developed and the task of convincing the 500 strong membership of several diverse organisations of the benefits of a national association began.

The legal industry is challenged on a number of fronts at present, but is becoming more segmented each year. Consolidation (from both clients and their law firms), specialisation, increased competition, pricing pressures and generational change issues in human resource management are producing considerable challenges for management in law firms. As the compliance and professionalism necessary to run a firm increases, so does the need for ongoing education and development of managers (and lawyers) in the legal market.

ALPMA delivers this ongoing training via a number of avenues, including breakfast seminars, lunchtime and twilight seminars, roadshows, monthly meetings with a professional development program and an annual conference.

Various social events during the year help to facilitate ALPMA's networking and peer support, which members see as an important membership benefit. As well, members are invited to participate in industry specific surveys and share knowledge and experience via the website in a Q&A sessions area.

At present ALPMA is undertaking its most ambitious project to date. This involves a partnership with the University of New England to develop and deliver a nationally accredited Diploma of Practice Management. We hope to be ready for the official launch of this initiative at our next national conference in Sydney on 21 and 22 October 2005.

If you are interested to know more about ALPMA, please visit our website at <www.alpma.com.au>, or call the local secretariat in your home state to arrange for a complementary pass to your first lunchtime seminar. Local secretariat details are available on the website. ●



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contributions

Contributions to **LAW PRACTICE MANAGEMENT** are welcome. Please submit articles or notes (between 1000 and 2000 words) for publication to:

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Caveat emptor: important matters to consider when commissioning a psychological assessment

Victoria Barsky
BARKSKY CONSULTING

Clients often ask about the appropriateness of using psychological assessments at different levels of their firms and organisations, 'Should assessments be used when recruiting partners or company executives? Or should they be used only when large scale recruitments are being conducted? Are they appropriate for our administrative staff?' In answering these questions, we should first consider the purpose of a psychological assessment.

What information can psychological assessment provide?

It is important to be as certain as possible that selection decisions are well founded. Psychological assessment can provide objective data about a candidate's skills and attributes that no other process can ascertain, such as motivation and teamwork. It is also important to recognise that psychological assessment is just one part of the recruitment and selection process. Other factors, such as a candidate's education, experience, interview and reference checks are all important when making selection decisions.

Is it 'fair' to ask candidates to complete an assessment?

Candidates are provided with an opportunity to demonstrate their skills and characteristics. This enables fair and unbiased comparisons.

Are ability tests required at all levels?

Research shows that abilities are the strongest predictors of performance

and indicates whether the person can do the job. Candidates who do not demonstrate the level of skill required for the role:

- take longer to train;
- require additional supervision;
- are prone to making more errors in their work;
- take longer to reach lower levels of potential;
- tend to be among early resignations; and
- perform at lower levels than their peers.

Should personality be investigated at all levels?

A personality profile can provide insight into how the candidate will

decision makers with data that increase their chances of making a correct hiring decision.

Are all tools created equal?

To maintain integrity in the selection and assessment process it is vital to implement well researched, reputable tools. There are many test publishers worldwide who produce a plethora of tools which are readily available in the Australian marketplace. Some tools yield highly reliable information that can be directly linked to 'on the job' behaviour and performance. Some are not worth the cost of the paper they are printed on or the time it takes to complete them online. Price is no indication!

In the field of psychology, newest is unlikely to be the best. It takes years to research tools to ensure that they are valid (that is, they test what they claim to be testing) and reliable (that is, they test the same thing consistently each time they are used).

operate in the role. This provides useful information about style, work ethic, motivation and cultural fit among many other factors.

At what levels of an organisation should psychological assessment be used? Consider this: at what levels in an organisation is turnover, non-performance, increased risk of error, increased training costs and increased supervision important to address?

As assessment provides insight into what the person can do and how they will go about doing it. This provides

In the field of psychology, newest is unlikely to be the best. It takes years to research tools to ensure that they are valid (that is, they test what they claim to be testing) and reliable (that is, they test the same thing consistently each time they are used). However, even some tools that seem to have been around for a number of years may not be worth considering, as they may simply have been sold well or they may be cheap to have and run inhouse. The only way to know for sure is to receive sound advice from an organisational psychologist who has read the research available on the tool.

Sometimes it's not the tool but the way it's implemented

Each psychometric tool (that is, a tool which is valid and reliable), whether it is a timed test of abilities or an untimed questionnaire, has been designed with a particular purpose in mind. It is essential to implement it in the manner it was intended. Why state the obvious? Put simply, it is because commercial reality dictates that many tools are constantly being inappropriately used. A classic example is the misuse of a sound but fallible team building tool, the Myers Briggs Type Indicator (Myers Briggs).

selection setting it has no value, as it possesses no predictive power. The results cannot shed any light on how the candidate will perform in the proposed role in your firm. Needless to say, the incorrect use of psychometric tools does not only expose the psychologist to potential complaints and litigation, but your firm as well.

Conflict of interest

Test publishing houses and some universities are succumbing to commercial pressures to generate greater revenue. To this end,

As a team building tool, the Myers Briggs is transparent and therefore easy to 'fudge'. It has no 'lie detector scales' which highlight when it has not been responded to accurately and honestly.

This tool is well known and it has the advantages of being quick and simple to complete, cheap to administer and easy for a lay person to understand. However, it was designed to be used only for team building and to enhance the participant's self-awareness. Regrettably, it is often used in recruitment and selection processes and widely available through some human resource consultants and recruitment firms.

The use of the Myers Briggs in selection and recruitment is considered unethical practice for a psychologist and exposes the practitioner to disciplinary procedures. Why the hard line? As a team building tool, the Myers Briggs is transparent and therefore easy to 'fudge'. It has no 'lie detector scales' which highlight when it has not been responded to accurately and honestly. In addition, it is normal to receive different scores on the tool each time it is completed. Therefore, in a recruitment and

some publishers impose contractual agreements on some consulting firms and practitioners which may potentially cause difficulties.

To gain the rights to use some proprietary tools, a consulting firm is typically required to enter into a licensing agreement where they undertake to sell a certain quota of the tool per annum. The performance clause often states that they will lose their licensing fee (this often runs into thousands if not tens of thousands of dollars) and the right to use the tool if they fail to meet the agreed sales target.

The burning question is: are you being recommended a tool that you really need for your selection process or one the consulting firm needs to 'push' in order to meet their sales quota? Disclosure statements regarding licensing agreements and commissions are not standard practice in consulting; it may be in your interest to request them.

Speed and type of reporting

To meet clients' timing and pricing demands, some consulting firms are turning to computer generated reports. This approach initially seems attractive — an almost real time delivery of reports together with a relatively low cost. This quickly enters the 'almost too good to be true' category — and it is! The outcome of such a process would be akin to a law firm quickly generating a copy of the relevant legislation in response to a client's query. This requires the client to pore through reams of paperwork in an attempt to interpret how it relates to their particular situation. In such a context, where is the advice? Where is the added value? Where is the expertise?

After reading a few computer generated reports, on paper the candidates quickly start to look and sound the same. The firm's staff are tied up in reading lengthy reports and are required to draw their own conclusions. Arguably, in such a scenario the benefits of time efficiency and objectivity are lost.

Psychologist's expertise and qualifications

The area of psychological assessment for recruitment and selection falls into the specialised field of organisational psychology. Many lay people, human resource consultants and even psychologists from other areas, such as clinical psychology and counselling, enter this field as it appears to be more lucrative than their initial chosen specialties. However, from a client's perspective, would it be wise to approach a solicitor specialising in family law with a question regarding project and structured finance, or vice versa? When buying this type of service it pays not to assume, but to clarify qualifications.

Moreover, when dealing with a law firm the invoice typically makes it clear to the client whether they have been charged for the partner or other staff's time. No such custom exists in consulting. It is important to ensure, as a client, that you are aware of exactly who is analysing your candidate's data and creating your reports. To save costs, some consulting firms use

student volunteers to undertake such work. Have you been sent a report from an experienced psychologist, an external contractor or a student volunteer?

The bottom line

When a psychological assessment has been tailored to the client's needs, both through the independent selection of the most appropriate tools as well as through a customised report which addresses the clients specific questions regarding the person to job to culture fit, psychological assessments, without doubt, enhance decision making processes. The practice yields information that is not available through other sources, such as interviews or reference checks. However, the impact, value and accuracy of an assessment is considerably diluted and even lost when the ethics, rigour and discipline of psychology are overlooked. ●



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dear duncan ...

Comment by Duncan Hart

Plotting your merger

Most firms at some stage will consider the merits of a merger with another firm. By merger I mean the full integration with a firm which is at least half as large as the original firm. In some cases firms seek an 'upstream' merger with a larger firm rather than with an equal or smaller sized firm.

Mergers are often considered in the context of a firm seeking to open an office interstate — a merger with a firm in that state being seen as an easy way to expand operations there.

In this article I consider how the decision making process about the merits of a merger can be enhanced. After considering the strategy that should

underpin the process I introduce a matrix to help management plot and then evaluate the objectives they seek to accomplish.

Effect on current strategic goals

If a merger is suggested, how will it reflect the firm's current strategic goals? If it represents a new strategy, what objectives are seen as an outcome of it? Then ask the following questions.

- What choices have to be made to embrace the strategy?
- How will those choices fit with the firm as it is run now?
- What objectives will be the subject of the new focus?

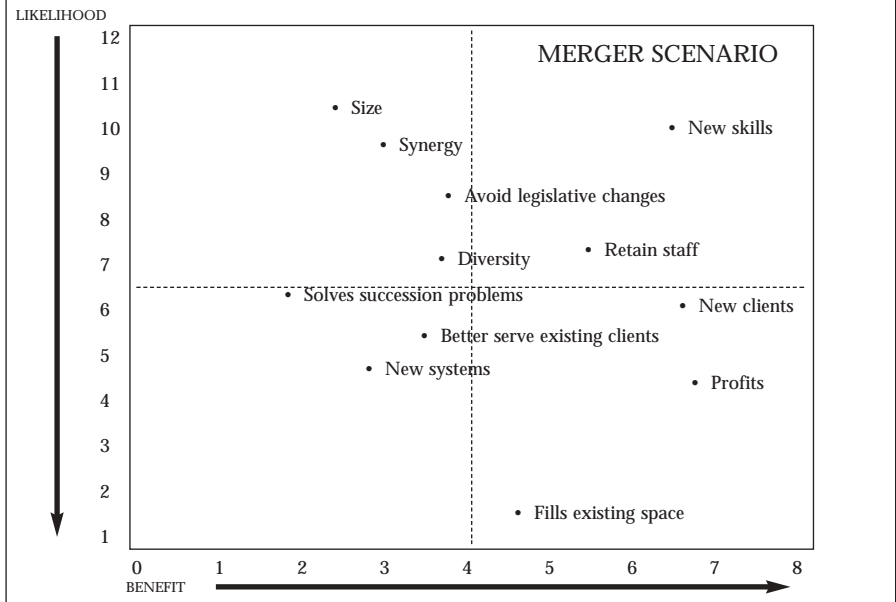
Fundamentally, what is 'right' for your firm depends on what objectives you seek to achieve in undertaking such a merger and assessing if it represents the most cost effective option. A merger, after all, is a means to an end not an end in itself.

What are you seeking to achieve?

This is the fundamental question that often remains unanswered. Not surprisingly, if the motives behind a merger are not articulated, researched and then agreed, it can lead to much unhappiness. A merger to facilitate a move interstate or widen the firm's capabilities is nothing more than one means of achieving an end, but what end?

In the case of an interstate move, for instance, are you:

Figure 1: Merger scenario — benefit-likelihood matrix



- seeking to protect your relationship with a major client;
- hoping to access new clients in an area in which you have expertise;
- taking advantage of key relationships which will give you a head start in the area, for example, with intermediaries such as accountants;
- hoping to offer existing clients a service you previously had to refer to other firms;
- providing talented juniors with opportunities they would otherwise not enjoy and which might lead to their loss to interstate firms;
- hoping to access more profitable work higher up the food chain than you presently enjoy;
- hoping to access specific deals or opportunities that are not currently available;
- seeking to avoid a shrinking or over competitive marketplace; or
- seeking to avoid capitalising on legislative changes?

In the case of a merger *not* involving an interstate office, the issues might include:

- increased profit through better leverage;
- improved capacity to carry out certain work;
- spreading risk through diversifying work sources and types;
- increased level of client satisfaction and a wider range of work from those clients;
- greater opportunities for talented

- juniors and better retention and acquisition rates;
- the opportunity to introduce new systems and partnership/incorporation arrangements which wouldn't normally occur without a merger;
- resolution of a succession/leadership issue; or
- utilising excess office space by the merging firm and reducing fixed costs overheads.

Once the drivers are articulated and can be scrutinised, the issue as to whether a merger will achieve your key objectives comes closer to resolution.

Making the assessment

The decision to merge requires the consideration of a host of issues, but at the strategic level it requires a comparison between the benefits/costs of merging as opposed to attempting to achieve the same objectives in a different way. All too often the only case presented is the case for merger.

The benefit-likelihood matrix above (Figure 1) has been designed to assist the decision making process in that it encourages the proponents of a merger to identify the key objectives they seek to achieve. The comparison is between a merger and a non-merger based solution where interstate expansion is being considered.

Once the anticipated objectives/benefits of the proposed merger are identified, those objectives are plotted to assess:

- the *likelihood* of the objective being achieved (include cost, time, effort and degree of difficulty); and
- the *benefit* to the firm in achieving the objective.

The exercise is then repeated on the assumption that the firm's same objectives are pursued without a merger and can be achieved by other means, such as:

- synergy — work to integrate local hires into firm;
- size — hire locally or acquire specific staff;
- diversity — hire locally or acquire specific staff with diverse skills and/or clients;
- profit — hire locally or acquire specific staff to increase leverage;
- avoid legislative change — retrain and avoid impact;
- retain staff — build up firm, encourage secondments and fly in/out for interstate work;
- new clients — rebuild skill base and acquire lateral hires;
- new skills — rebuild skill base;
- service existing clients — fly to centres to service clients who need that support;
- new systems — why wait for a merger if the systems are good — install them; and
- succession issues — continue to look for an appropriate replacement.

In each case, each objective/benefit is given an individual score from the reading from each axis.

Issues to be considered in assessing the likelihood of success include:

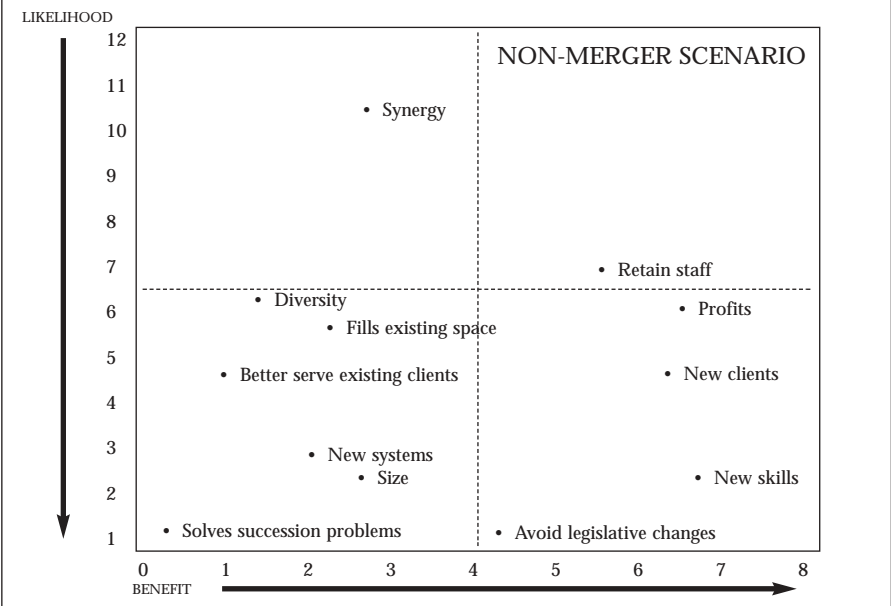
- distraction;
- cost of integrating systems;
- livery changes — letterhead and brochures;
- loss of staff;
- failure and withdrawal;
- conflicts which result in client loss;
- moving premises; and
- client confusion and loss.

Such a comparison will help clarify whether the benefits sought are likely to be achieved. It is inevitably subjective but important to have a credible alternative on the table so that an informed decision can be made.

Example:

In this example 12 objectives or desired outcomes have been identified arising from a merger with an interstate firm. They have then been plotted against two

Figure 2: Non-merger scenario — benefit-likelihood matrix



axes — benefit (horizontal) and likelihood (vertical) in Figure 1.

Plotting the results gives the following scores for two items:

- new systems — 3, 5; and
- new skills — 7, 10.

The same objectives should then be plotted against the same axis on the assumption that the objectives are pursued in some other way not involving a merger — see Figure 2. The value of the perceived benefit is likely to be the same in both cases but the likelihood of success will vary. The question that should be asked in each case is, 'If we do not proceed with the merger, how likely is it that we will achieve these objectives by other means, for example, through internal growth, lateral hires and re-educating to develop new skills?'

For the same items, therefore, in a non-merger environment, plotting the results gives the following scores:

- new systems — 2, 3 (on the basis that the need and hence the benefit from these systems will not be as great and, without a greater number of practitioners to spread the cost, the implementation is less likely); and
- new skills — 7, 2 (on the basis that it will take much longer to introduce them to the firm on a piecemeal lateral hire basis, making it less likely that much will change from a merger).

A comparison can then be made with a view to deciding how the benefits and likelihood of success compare. For the two items mentioned, the combined score is:

- 10, 15 (merger); and
- 9, 5 (non-merger).

This suggests, at least with respect to these two objectives, that the merger option is well out in front, particularly on the likelihood of those objectives being realised.

The exercise can then be repeated for all of the variables. In this case the merger option, Figure 1, comes out as 50, 84 and the non-merger option comes out as 46, 53. It shows that for both examples the relative importance of the objectives remains very similar (50 as opposed to 46) whereas the likelihood of success drops dramatically (84 to 53).

Make sure the whole is greater than the sum of the parts

Mergers are often seen as a panacea for a whole range of problems that beset law firms. More often than not they represent an attempt to subsume the firm's problems within the larger body of the merged entity, which many partners hope will dilute the impact of their more troublesome partners.

It is important to assess as dispassionately as possible the prospects of achieving your strategic aims via a merger. The American experience shows that a failed merger is a common precursor to law firm failure. ●

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Sparke Helmore: same law, different practice

Gillian Davidson
SPARKE HELMORE

Sparke Helmore was the winner of the large firm category of the Equal Employment Opportunity (EEO) Award in 2004. Partner, Gillian Davidson, discusses the EEO policies of the firm with a focus on what is different for women.

My discussion of the position of women in law is shaped and constrained by my personal experience, which is one of practising law for over 20 years, having three children and participating in a large number of charitable and non-profit organisations throughout that period.

During the 1980s I worked as an employee in a large insurance law practice; during the 1990s I ran my own practice and consultancy; and more recently I have practised as a partner in a rapidly expanding law firm, specialising in a practice area which has been the subject of extraordinary change both in respect to the way in which the law is practised, the prevailing law and client relationships.

Throughout my career there has been a steady development of the opportunities and acknowledgment of the issues surrounding women in the law.

There is no doubt that the legal profession battles a tarnished and one dimensional image of professional life, stereotyped by the mixture of US television legal dramas ranging from *LA Law*, *The Practice*, *Law and Order* and *Ally McBeal*. The image is also shaped by the anecdotal and sometimes true experiences of those young solicitors slogging it out in an increasingly demanding and globally focused work environment.

The issue of gender responses to working in the law in 2005 is vexed as the distinctions are blurred and narrowed between the sexes. Ultimately, the significant remaining issue centres around family

responsibilities which, for whatever reason, invariably fall in a larger measure to women. The key to ensuring that this issue is addressed and balanced in light of the commercial imperatives of running a large business is a distinguishing quality of successful practices.

The acknowledgement that for women with children the issue is balancing family life, must also be balanced with the recognition that both men and women are demanding that there be a full, meaningful and pragmatic solution to work/life balance.

So what do we do differently at Sparke Helmore?

Sparke Helmore is a national law firm with a culture that is focused on developing its employees and building strong relationships with its clients. There is also a strong commitment to providing an equal opportunity environment with the availability of flexible work practices and ongoing training and development.

The firm attributes its position as an employer of choice to seven key principles which are briefly described below.

Clearly articulated promotion criteria

The criteria is based on achieving clearly articulated goals including leadership and team building skills, consistency with the firm's vision and mission, people development skills including training and mentoring, client and practice management and contribution to the development of knowledge capital. All staff are provided with access to this criteria and the specific performance requirements around the different criteria. Twice yearly performance reviews analyse progress towards fulfilling the criteria. Gaps are targeted

and training or development in these areas is implemented.

Over 37 per cent of the senior positions within the firm are held by women.

Salary review system linked to performance

The salary review system links directly to individual performance, which is thought to be less vulnerable to individual biases and less dependent on an individual's negotiating skills.

Performance is rated on a nine point scale in accordance with set descriptors designed to eliminate any bias. An overall rating is then calculated based on the score and the relative weighting of the competencies.

Maternity leave and return to work

In order to assist the return to work from maternity leave, flexible work practices are offered which can be worked out by individuals with their practice group leader. The firm is committed to a family friendly culture and all staff members negotiate their work hours to fit in with their child care needs.

The test for the suitability and effectiveness of this policy is 'return to work' statistics which currently track at over 90 per cent.

Paid parental leave

Paid parental leave is available to all staff for up to 12 weeks for the primary care giver and one week for the non-primary care giver. This is linked to years of service with the firm.

Flexible work practices

A flexible work practices committee has been established to analyse what flexible work practices can be offered to allow staff greater control over their work and, therefore, their personal life. This allows staff to pursue external interests and meet family commitments more easily.

Work from home option

A computer link-up system is available which allows staff to access the firm's system through a home computer. The firm provides the technical equipment and IT support. Currently around 20 per cent

of staff utilise this option on a regular basis.

Culture

The culture cannot be underestimated in terms of its importance. Flexible work practices must be seen as the norm, not only something adopted by females with children. Staff utilising flexible work practices are not marginalised nor given less interesting or rewarding work.

Anecdotally, each lawyer is encouraged to pursue their goals within the constraints of their family or other responsibilities. Certainly, there is a commitment to working together to achieve the one goal, both in terms of career advancement and having the time to care for and enjoy your family. This was neatly summed up by one lawyer commenting, 'they put their money where their mouth is'. ●



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Letter from London

CO-ORDINATED BY

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Eversheds — making the grade

Caroline Poynton talks to David Gray EVERSHEDES

It is nearly two years since David Gray succeeded David Ansbro as managing partner of Eversheds. In that time he has had a lot to live up to in continuing the firm's transformation from a regional to an international business operation — a firm that has become something of a trendsetter in the legal marketplace.

I am beginning to suspect that the Eversheds team has a singular aversion to London living. On arriving at the

London headquarters to meet managing partner, David Gray, I am welcomed by PR manager Imogen Lee, who tells me that she has just bought a house in Yorkshire. Similarly, a chance meeting with head of customer relationship management, Geoff Harrison, concludes with him saying he has to catch his train home to Newcastle. As for Gray, he is quick to admit that the greatest challenge of his role is being apart from his wife, as he travels from his Yorkshire home to

stay in London during the week. By the end of it all, I'm beginning to wonder if these offices are a convenient central meeting place for weary travellers on the commute of the century.

Such lifestyle revelations provide a timely reminder of where Eversheds has come from. In just a few years, a regional firm made up of disparate offices has combined to become a single entity with a surprisingly strong brand identity considering the firm's relative youth. It has also managed to use its regional background to its advantage. Gray explains, 'Our business model is different to many of the purely City firms. For example,

when you talk to inhouse counsel, they are all under enormous pressure to reduce their legal budget. We can respond to that because we can manage client services across the country and we can do things much more cheaply as a consequence.'

Competing against the City firms involves a lot more than geography and price, but signs of changing client expectations could also work in favour of firms like Eversheds. Essentially, clients have become more sophisticated. Not only do they demand cost efficiencies from their external law firms, but many now talk about the relationship as a partnership where external lawyers have to think in tune with their clients, that is, commercially and strategically. Law firms can no longer survive on the assumption that they can name their price and expect client satisfaction in return.

Indeed, for the first time, the past year witnessed falls in profit for magic circle firms as a shortage of merger and acquisition deals reaped its whirlwind on year end figures. Eversheds, on the other hand, has published profit hikes for two years running and has to its

management program, which includes independent partner reviews to assess the ongoing success or otherwise of its client relationships, and the existence of a client advisory board, are concrete proof of the firm's desire to impress; but it is the firm's flexibility on its business model that sets it apart. For instance, the firm's Legal Systems Group deals with commodity business, such as remortgaging, but the firm as a whole is now using those skills to increasingly embed business processes in all the services it provides. 'A lot of lawyers like to think that what they do is somehow special, but it's not; they're selling a service that people can buy from most places,' says Gray. It is a view that also supports Gray's ambition of transforming lawyers into business managers. 'I always say to people that you should be problem solvers with a legal background. I get frustrated when I came across lawyers rather than problem solvers, because that's not what people want,' he says.

Such a view seems to suit Gray's own personality. He says he hated law at university and seriously considered following an alternative career of

'A lot of lawyers like to think that what they do is somehow special, but it's not; they're selling a service that people can buy from most places,' says Gray.

credit a cartload of awards to reinforce its already sturdy list of facts and figures. The law firm league tables are unlikely to be overturned just yet, but there is plenty to suggest that firms like Eversheds are meeting these new client requirements and pushing the established boundaries of legal service delivery, the long term impact of which could be anybody's guess.

Gray says that Eversheds has succeeded because it has a central tenet of regularly asking clients what they want and then acting upon it. A comprehensive customer relations

merchant banking on completion of his degree. The necessary further years of training that would require, however, convinced him to become a corporate lawyer, a job that he has loved because of the negotiation and the 'tremendous amount of time you spend with your clients'. He has never changed his core view of the law, however. 'I always say that you have to remember that a lot of this is intrinsically dull. You might find it interesting, but our clients won't — you have to make the experience enjoyable somehow,' he says.

He also admits that moving into

management became tempting because practising law had become frustrating. 'Time and again, I'd work on transactions where there was a young assistant on the other side who didn't have sufficient experience to prioritise, and so manage the deal effectively. You'd end up wasting three or four weeks until the partner arrived, when you could do things properly. I was getting wound up.'

He also came to a point in his career where the lifestyle no longer appealed. The catalyst was a particularly significant client deal requiring him to rush down to London for a 6am meeting. As Gray says, 'With these deals, you lose your life for weeks on end. I suddenly realised that I'd stopped enjoying it.'

When Gray was elected managing partner of the Leeds and Manchester offices in 2000, he felt it was the right time to take on the challenge, but he had to decide whether he would retain some of his client work and balance it with his new management responsibilities. Fate, however, conspired to ensure that the firm would have the full focus of his distinctly business view of doing law, as a serious illness struck just as he was due to start. 'I was away for about four months and when I came back all my corporate clients were happily ensconced with other partners. I couldn't go out and build up my client base again at the same time as managing the business, so the decision was taken away from me really,' he says.

A full time management role has enabled Gray to prove his business acumen and inspire change, but the move was never going to be easy. His experience as head of corporate for Leeds and Manchester from 1995, and for the whole firm from 1999, gave him an important head start in management, while his professed enjoyment in dealing with people would provide a solid basis for driving the team forward. Gray describes the managing partner role as one in which you have to encourage and persuade, which he calls 'consultative selling'. It doesn't sound too different to his role as a corporate lawyer, where talking to external clients

and internal teams across the firm was necessary to complete deals. However, he admits that he has had to soften his approach. 'The things that I have done well are those where I've changed my approach depending on the work that I'm doing,' he says. 'Being a corporate

'The things that I have done well are those where I've changed my approach depending on the work that I'm doing,' he says. 'Being a corporate partner is cut and thrust; as managing partner you have to soften your approach and calmly and constructively deal with people across the partnership.'

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As a straightforward Yorkshireman, he says that he has always hated politics, but his successful election campaign to firm wide managing partner in 2002 suggests that he was able to embrace the tensions that must have arisen in the close run between himself and London managing partner Michael Brown. He explains it by saying that he convinced himself that it was all about strategy, not politics, which made him feel more comfortable.

Gray admits that he finds being managing partner less stressful than practising law. Part of the reason for that, he says, is that every decision in management has the backing of the executive team and partners, and no decision has to be made instantaneously, as is necessary when working with clients on a day to day level. He admits that his wife, however, has pointed to another reason for his more relaxed outlook: that the only time he got stressed in the past was when people above him were making decisions that he didn't agree with. Having won the role of chief decision maker, that problem, of course, now doesn't arise. Combining with his comments that he needs to be constantly challenged in his career with his frustrations regarding other lawyers and his own practice, a picture develops of a determined, driven and ambitious individual who is

extremely amiable but clearly capable of getting his own way.

Whether this is the right mix for Eversheds might be ascertained from another comment Gray makes when he says that the leadership should reflect the people that are in the business. He

then describes the firm's people as straightforward and down to earth, not pompous or full of themselves. He sometimes worries that the firm is not as confident as it should be, but maintains that this is just part of the firm's understated nature. 'Because we're not arrogant, we tend to think we could have done things better,' he says.

But it is the clients that probably better reveal the truth. As part of the review process, all clients are given a sophisticated system of questions to get to the nitty gritty of whether the relationship is working. However, towards the end, on a lighter note, the client is asked to liken Eversheds to a football team or an animal. Results have varied, but Gray says that some have come back saying that they see Eversheds as a bear, terribly cuddly, but aggressive if necessary. For Eversheds and its managing partner, it seems like a fairly accurate summation of character. Gray thinks the firm needs to be more confident, but all the signs suggest that both he and the firm as a whole have more than enough to continue this success story. Let's just hope that they can all stay in London long enough to really capitalise on the fruits of their hard labour. ●



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Colin Fong

FACULTY OF LAW, UNIVERSITY OF NEW SOUTH WALES



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Speaker, John Urbano, Director of Executive Programs at the AGSM

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