Learning and Development in Law Firms – A Practical Guide

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Chapter 1: Preparing people for a changing world

LOU PLATT, former chairman and CEO of Hewlett Packard said: “Whatever made you successful in the past, won’t in the future.”

Wayne Gretsky, often described as the world’s best hockey player, said: “When everyone else on the ice is trying to get where the puck is, I try to get to where the puck is going to be.”

At its simplest level, learning and development (L&D) involves changing people, or helping them to change. For those involved in a law firm’s L&D, it is crucial to examine the roles their people are expected to perform, to ensure that they can deliver value to the firm and its clients. If L&D simply prepares people to meet today’s immediate needs, the investment will be short-lived because of the rapid changes taking place. Those involved in L&D have to prepare people to be able to perform successfully in the law firm’s future. This is especially important as the pace of change in the world of legal services quickens.

How the world of legal services is changing and how law firms have to change

If one were to mention the professions to many people, they would still conjure up a rather dull image of studious lawyers, accountants and such others engaged in esoteric activities at the fringes of economic activity. The law can sometimes seem worthy but dull – an image that the profession has done little to dispel, steeped as it is in tradition and shrouded by mysterious protocols and jargon, with little attempt to make its world accessible to people from outside.

This image is now fading and leading law firms are waking up to the need to change. As well as needing to replace some outmoded practices and update its stuffy image, the legal profession is also undergoing seismic changes, driven by:

- A tougher regulatory regime;
- A professional indemnity market that, year-on-year, becomes more difficult and expensive; and
- The threat of serious commercial competitors from outside the legal profession, once non-lawyers are permitted to invest in law firms from 2011.

There is undoubtedly a large proportion of the profession that is insufficiently prepared for these changes and what is likely to lie ahead. There has rarely been a more challenging time for law firms, and L&D has a major part to play in preparing firms and their people to meet the challenges ahead.

For many law firms, recovering from the recession will continue to be their main priority for some time. However, it is also important to look ahead because law firms cannot simply assume that business will return to the way it was before the credit crunch. The main drivers for change do not relate to the economic cycle, but to unstoppable trends that will shape the profession and the clients it serves. As Iain Donaldson reveals in Case study 4:
“I wrote a paper to partners entitled, ‘And just when you thought it was all over’. We had to explain to people what we were going through and that the end of the recession was not the end of the change needed.”

To predict how law firms will change or what the legal landscape will look like, even in just a few years’ time, would be futile. However, the forces that will bring about that change are already apparent and it is possible to see the direction in which they are moving.

It is not all bad news for law firms. Whenever there is change, individuals and businesses need advice and that creates new opportunities for those law firms willing to introduce new services and products that match the changing needs of the clients they serve. The changes taking place can act like slipstreams, allowing firms and individuals to progress at a rapid rate. However, the winners of the future will be those law firms which move with, and embrace change, not those which cling on to the familiar structures and practices of today.

Appendix 1 provides the author’s perspective on the major changes likely to shape the legal profession and its clients. These are not predictions so much as pointers to where the current trends are heading. The extent to which these various trends will manifest themselves and the pace with which they will take hold, can be estimated with little certainty. What is certain is that they will have an effect and that tomorrow’s world of legal services will be significantly different from yesterday’s and today’s.

In an article entitled ‘Law firms ready to ring in the changes for uncertain 2010’, various law firm leaders catalogued the challenges facing their firms, and here is an amalgam of the phrases they used:

- “Diversification, restructuring and mergers could save the day…”;
- “The legal sector is not quite clear of the worst ravages of the recession. . .”;
- “An increasingly demanding client base…”;
- “Firms will disappear or fade into irrelevance…”;
- “The worst might not be over”;
- “Restructuring will be a major feature. . .”;
- “Continue to sharpen efficiency levels. . .”;
- “Find ways to work more efficiently. . .”;
- “More innovative charging…”; and
- “The key will be building and sustaining strong client relationships.”

The challenges facing law firms in the future will be steeper and more demanding, and achieving high performance cannot be left to chance. Performance management will need to be aligned with the achievement of law firms’ strategic objectives, and individuals will need to learn new ways if competitive advantage is to be secured and maintained.

Clearly, each firm will face different challenges and will require different solutions, but there can be little doubt that all law firms will need to define and achieve high levels of performance if they are to survive and succeed in this new decade.

Ultimately, change will be driven by the changing demands of a law firm’s clients and its people. L&D has a central role to play in equipping law firms and their people to face this more demanding future.

Reference