Strategic Innovation as an Emerging Firm Function

EDITED BY ALEX DAVIES
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Contents

Executive summary .................................................................................................................................................... vii

About the authors .................................................................................................................................................... xi

Chapter 1: Structuring for innovation ............................................................................................................................. 1
By John Alber, futurist for the Institute for the Future of Law Practice
  Change or die .................................................................................................................................................. 1
  Seven sources ................................................................................................................................................. 3
  Purposeful, focused… and lean ..................................................................................................................... 4
  Mining the sources of innovation .............................................................................................................. 5

Chapter 2: Innovation for law firms; it’s not what you think ......................................................................................... 9
By Simon Nash LLB, FCIPD, BPS
  Law firms and innovation – an understandable deficit ................................................................................. 9
  How ideas happen – the state of an art .......................................................................................................... 11
  A new model for how ideas happen ............................................................................................................ 13
  How to be a more innovative firm ................................................................................................................ 15
  Conclusions – good news for changing law firms ....................................................................................... 16

Chapter 3: Where does innovation sit? ...................................................................................................................... 19
By Duncan Hart, consulting lawyer, Duncan Hart Consulting
  Innovation and strategy ................................................................................................................................. 19
  Innovation as a “firm function” ................................................................................................................... 21
  Key steps in developing and implementing an innovation agenda ............................................................ 22
  Conclusions .................................................................................................................................................. 25

Chapter 4: Profiling legal strategy and innovation officers ....................................................................................... 27
By David J Parnell, True North Partner Management
  Introduction .................................................................................................................................................. 27
  Understanding innovation and strategy in the law firm setting ................................................................. 28
  Politics and power ..................................................................................................................................... 30
Contents

Credibility ................................................................................................................................. 33
Cohort ........................................................................................................................................ 34
Frugality ..................................................................................................................................... 35
Process- and evidence-based orientations ............................................................................ 35
Tech and business ................................................................................................................. 37
Conclusion................................................................................................................................. 37

Chapter 5: Why innovate? The link between strategy and innovation ........................................ 39
By Langdon Morris, InnovationLabs LLC, USA
  World class innovation ........................................................................................................ 40
  A time of change ................................................................................................................ 41
  The impact of technology .................................................................................................. 42
  Choosing a strategic direction ........................................................................................... 44

Chapter 6: Adopting a strategic planning approach and leadership for innovation .................. 47
By Christie Guimond, corporate development manager, Bird and Bird
  Innovate or die – the Eastman Kodak story ..................................................................... 48
  What really went wrong? ..................................................................................................... 48
  Choosing a leadership model for innovation in the legal industry .................................. 49
  Maximizing your leadership model – developing an innovation strategy ................. 50
  Positioning – where are you now? ...................................................................................... 51
  Strategic choices – where do you want innovation to take you? ................................... 52
  Conclusion................................................................................................................................. 53

Chapter 7: Connecting culture and strategy – building success with the strategic planning process ........................................................................................................ 55
By Carrie Hanna, chief strategy officer, Gunster
  Introduction ............................................................................................................................ 55
  The process ............................................................................................................................ 55
  Start with a vision ................................................................................................................ 56
  Focus on the present ............................................................................................................ 56
  Don’t forget about the future.............................................................................................. 57
  Execution and implementation are key .......................................................................... 57
  What about the role of culture? ....................................................................................... 59
  Success equals unique approach .................................................................................... 60
Chapter 8: Innovation as function – the eight dimensions of an innovative law firm culture

By Lawton Penn, client service innovation partner, and Sam Davenport, director, legal business solutions, Davis Wright Tremaine LLP

Leadership ............................................................................................................................... 64
Strategy ..................................................................................................................................... 65
Culture ........................................................................................................................................ 67
Innovation process .............................................................................................................. 68
Innovation skill sets ............................................................................................................ 69
Resources .................................................................................................................................. 71
Networks ................................................................................................................................... 72
Lessons learned .................................................................................................................... 72

Chapter 9: Innovation as a business development strategy

By Scott Rechtschaffen, chief knowledge officer, Littler Mendelson

Law firm marketing approaches have evolved ................................................................. 75
Why innovation is relevant for today’s corporate legal clients ........................................... 76
Innovation at Littler ........................................................................................................... 76
The beginnings of innovation at Littler – knowledge management .................................... 76
Knowledge management as the foundation of a comprehensive content marketing strategy ........................................................................................................................... 78
The Employer Series publications .................................................................................. 79
Legal developments alerts ............................................................................................... 79
White papers and Littler reports ....................................................................................... 79
Single-subject publications ............................................................................................... 80
How do we do it? .................................................................................................................. 80
Innovative legal service solutions as a brand differentiator for Littler ................................ 81
Conclusion ............................................................................................................................... 82

Chapter 10: The innovation committee’s brief

By Duncan Hart, consulting lawyer, Duncan Hart Consulting

The committee’s charter ......................................................................................................... 85
Staffing ...................................................................................................................................... 85
Creating its own initiatives and facilitating client involvement ........................................... 86
Review and project management function ........................................................................ 86
Reporting ................................................................................................................................. 87
Developing an appropriate innovation mindset ................................................................... 87
Rewards and incentives ......................................................................................................... 88
Environmental scanning ....................................................................................................... 90
Contents

Educational and promotional activities ................................................................. 91
Summary of support functions .................................................................................. 91
Internal team management and client liaison – The politics ............................ 92
Creation of “off campus” options ........................................................................... 93
Buying innovation – Was it the product or the people? ...................................... 93
Sourcing external funding – Private equity, joint ventures, and the stock market .......................................................................................................................... 95
Purely “legal” innovation must also be supported .............................................. 96
Firms making up Big Law have heard the “i” word and are responding. Innovation is on the lips of chairpersons everywhere; innovation committees are cropping up; innovation chiefs and partners are proliferating; and strategic plans are being amended to include the “i” word. “We must innovate,” is the command of the hour, of the month, of the year. When the firm declares innovation as a goal and begins looking around for who and how to proceed, how do you go about innovating when the boss tells you to do it?

_Strategic Innovation as an Emerging Firm Function_ looks at the ways in which innovation and strategy can be incorporated into a law firm, as a function, rather than a concept. Some firms respond by adding roles to the c-suite. Others create whole departments. Others still task individuals with the process as part of their everyday duties. What is clear is innovation is becoming a function – as tangible and present as marketing, as sales, as any of the other key roles that make up a law firm.

The opening chapter of this book, written by John Alber, futurist at the Institute for the Future of Law Practice, looks at how innovation and strategy should be structured within a progressive law firm. He suggests that firms should focus on cultivating the sources for innovation, before prioritizing, resourcing, and managing those sources. The structure will take care of itself as you do those things.

Following on from this, chapter 2 by Simon Nash, director at Insight Limited, discusses how the recent flurry of appointments of chief innovation officers, or lead innovation partners, to law firms in the global top 100 is cause for reflection for firms in the rest of the profession, where – it should be remembered – over 90 percent of the legal work is actually done. What should the majority of law firms do? If you are the managing partner or board member of a law firm, is the next order of business to go out and appoint your own innovation champion? Or can the work be done by skillful use of trusted experts? Or, more challengingly, is innovation a competence that can and should be nurtured across the firm? Nash explores three important themes in the area of innovation in
Executive summary

law firms. Firstly, what relationship have law firms had with innovation up to the present day? Secondly, what actually is innovation and how can our understanding of the processes of idea generation and implementation help firms to see this important area differently? And, thirdly, what makes for more innovative practice in firms that who to that are keen to gain competitive advantage through the quality of their thinking? The chapter concludes with a challenge for all law firms: that innovative practice might not be so much a matter of what ideas the firm is seeking to implement, but how the firm works with ideas, that makes all the difference.

Chapter 3, by Duncan Hart, consulting lawyer at Duncan Hart Consulting, considers where innovation and strategy should sit within a firm. There are a wide range of options available to firms wishing to innovate. The appointment of a person to such a role may be an important first step. But where in the development of an innovation strategy does such as appointment fit? In the absence of a broader strategy, it’s akin to appointing a “marketing” officer to solve the firm’s marketing issues. This chapter shows that it takes a lot more than that.

In chapter 4, David J Parnell, founder of True North Partner Management, uses his years of legal placement experience to profile legal strategy and innovation officers. Creating differentiation is an increasingly valuable commodity for law firms. As fledgling efforts turn to fully-budgeted, management-supported initiatives, law firms are finding it increasingly attractive to bring chief strategy and/or innovation officers on board to shoulder the responsibility. But where it is challenging to find great talent in your run-of-the-mill corporate setting, law firms pose unique challenges that make it doubly so. In this chapter, Parnell explores those challenges and discusses the particular skills and experiences that are best suited to navigate and find success in the law firm setting.

Chapter 5 asks “Why innovate?” Langdon Morris of InnovationLabs LLC, USA explores the link between strategy and innovation. The why of innovation is brutally simple: change is accelerating. If things didn’t change, your company could keep on doing what it’s always done and there would be no need for innovation. If markets were stable, if customers were predictable, if competitors didn’t come up with new products and services, and if technology stayed constant, we could all just keep going as we did yesterday. But all the evidence shows that change is racing at you faster and faster, which means many new types of vulnerabilities. Technology advances relentlessly, altering the rules of business in every market it touches. Markets are not stable; customers are completely fickle; and competitors are aggressively targeting your share of the pie.
So he asks: “Are we managing with the realities of change in mind? And are we handling uncertainty?” Since the alternatives are either to “make change” or to “be changed” – and making change brings considerable advantages, while being changed carries negative consequences – the choice isn’t really much of a choice at all. This chapter demonstrates that you’ve got to pursue innovation, and you’ve got to do it to obtain long-lasting benefits.

Christie Guimond, corporate development manager, Bird and Bird, then looks at how to innovate strategically in chapter 6. Innovation is the latest trend in the legal industry and there are countless debates as to what the term means and whether there is a real imperative to innovate – the so-called “burning platform”. Regardless of how you define innovation, it is clear that the industry is facing challenges related to technology disruption, changing buyer behaviors, and increasingly competitive legal markets. The degree to which these challenges are driving legal organizations to innovate varies, but many of these challenges are new for the industry, and overcoming them can require new and creative solutions.

This need for creativity has caused many legal businesses to consider their approach to innovation, including who should lead it and where it should sit within the organization. Guimond looks at the emerging trend in the legal industry to introduce innovation leadership models and also explores some of the potential pros and cons of each of these models. Using an example of an unsuccessful innovation leadership model from another industry, the chapter looks at how you can avoid a similar fate by using a two-part strategic planning approach for innovation that considers: (1) your current position as an organization; and (2) where you want and need to go in the future.

In chapter 7, Carrie Hanna, chief strategy officer at Gunster, provides a unique insight into the many factors impacting strategic planning that can give a firm a competitive advantage. She explores a proven methodology for success as it relates to strategy and innovation in a law firm setting. Embracing both vision and execution, the CSO becomes the driving force behind the plan. As an integral player in leading the firm’s strategic initiatives and also knowing when to change course, Hanna makes the case that the person at the helm of the planning process should be the right cultural fit in order to operate successfully. The CSO needs to understand the nuances of a firm, its history and legacy, as well as the personalities that will make or break the process.

Two case studies follow, from firms that have thoroughly embedded strategic innovation as a function within their organisation.
In early 2013, the leadership at Davis Wright Tremaine championed an innovation initiative to improve legal services delivery and pricing and inculcate a culture of innovation. The firm named a chief innovation partner (CIP) responsible for soliciting new ideas for better process improvement and service delivery from lawyers and staff. As the list of ideas grew, so did the resources needed to vet, plan, and produce working prototypes of those ideas. Chapter 8, written by Lawton Penn, client service innovation partner, and Sam Davenport, director, legal business solutions, Davis Wright Tremaine LLP, highlights the innovative work being done at DWT De Novo, and showcasing what it believes to be the eight dimensions of an innovative law firm culture.

In Chapter 9, Scott Rechtschaffen, chief knowledge officer at Littler Mendelson, argues that a true innovation strategy “envisions dramatically and comprehensively changing the way firms interact with and serve their clients”. The case study describes how Littler Mendelson has used innovation as a game-changer over the past two decades.

Finally, Duncan Hart concludes the book, discussing the brief of the “innovation committee”. Arguing that, if innovation is to be fully embedded into a firm, it should be given to a dedicated team to implement, Hart offers practical lessons for law firms wanting to fully engage with strategic innovation.
About the authors

**John Alber** serves as futurist for the Institute for the Future of Law Practice. He was also the first futurist for the International Legal Technology Association. He writes, speaks and consults widely, focusing on finding practical ways to reshape the delivery of legal services to suit a future demanding excellence far beyond substantive legal skills. Prior to his current role, John was a transportation industry CEO. Thereafter, he led Bryan Cave LLP to become one of the most innovative firms in the world, serving as its strategic innovation partner for more than 16 years. John is an Emeritus fellow of the College of Law Practice Management and has received a number of awards, both in the legal field and in information technology generally.

**Sam Davenport** is director of legal business solutions at Davis Wright Tremaine where he directs business operations and the legal solution architect team for DWT De Novo. He holds a JD from Rutgers School of Law, a PMP from the Project Management Institute, a CSM and CSPO from the Scrum Alliance, and an LPM certification from the LPM Institute. He is a recognized expert in project management and business operations and frequently writes, speaks, and presents on these topics.

**Christie Guimond** is an experienced strategy and innovation manager at Bird & Bird LLP, who has worked at the forefront of disruption in the legal industry for over a decade. Her experience includes developing a legal project management capability, introducing widespread legal and operational process improvements, including the implementation of initiatives such as smarter working and the adoption of emerging technology solutions. She also monitors the changing legal landscape and advises senior executives and in-house teams on how to respond to these changes.

As chief strategy officer for Gunster, **Carrie Hanna** collaborates with firm leadership in guiding the firm’s strategic direction and advancement
throughout the State of Florida. As a 30-year veteran marketing professional, she drives the development and implementation of key strategic initiatives that contribute to the firm’s bottom line. She counsels individual attorneys on business development, client engagement, and a wide variety of marketing initiatives. As CSO, Carrie advises the 200-lawyer firm on brand identity, in order to maintain a consistently strong market position within the many industries that are part of Florida’s vibrant economy.

Carrie oversees a marketing department consisting of seven professionals, who provide expertise in the areas of communications, branding, social media, community relations, digital content marketing, event planning, and CRM.

A published author and frequent speaker, she shares her viewpoints at many industry conferences on topics including firm culture, strategy, and trends impacting law firms. Before joining Gunster in her role as CSO, she worked as a consultant to the firm and owned her own advertising and marketing agency which she began at the age of 25. Carrie graduated from the University of Florida with a Bachelors in Communications and resides in Jupiter, Florida with her family and beloved pets.

**Duncan Hart** has practised as a barrister and solicitor principally in the area of intellectual property for more than 25 years in one of Australia’s largest law firms. He opened his own consultancy in 2002 in Melbourne. He provides both legal and management consulting advice. Duncan’s educational background includes Legal (LLB) and Master of Business Administration (MBA) degrees. He consults widely to companies in the health, manufacturing, finance, legal, education, IT and government sectors, and professional service firms serving those sectors.

He is a regular traveller to SE Asia and China as well as the Middle East. He is a director of several companies involved in supporting the export of services to those regions and the commercialisation of their intellectual property. Duncan has also acted as chairman of partners and managing partner for various professional service firms, including three law firms and a patent attorney firm, and has undertaken project management consultancies as in-house counsel.

He is the author of *The Strategic Law Firm* and *Lean Innovation for Lawyers* and a regular speaker at conferences dealing with leadership, strategy, innovation and marketing issues.

Since 2001, **Langdon Morris** has led the innovation consulting practice of InnovationLabs LLC, USA, where he is a senior partner and
co-founder. His work focuses on developing and applying advanced methods in innovation and strategy to solve complex problems with very high levels of creativity.

He is recognized as one of the world’s leading thinkers and consultants on innovation and strategy, and his original and ground-breaking work has been adopted by corporations and universities on every continent to help them improve their innovation processes and the results they achieve.

Simon Nash is a former global leader of in the offshore law firm Carey Olsen, winner of numerous international awards for innovative and strategic people management. Simon is now a serial entrepreneur and sought-after speaker with start-ups in the people analytics, future business ethics, human capital advisory and outsourcing spaces. His latest venture Think.je is an ideation business working in the offshore financial and legal sector.

David J Parnell is a business of law author, columnist, speaker, and the founder of legal search and placement boutique, True North Partner Management.

Lawton Penn is Davis Wright Tremaine’s client service innovation partner. She leads the firm’s efforts to modernize the delivery of legal services to provide more value to its clients’ businesses through DWT De Novo, Davis Wright Tremaine’s dedicated legal solutions team. She was named to the 2017 Fastcase 50 list, which recognizes the legal industry’s “smartest, most courageous innovators, techies, visionaries, and leaders”. She received her undergraduate degree in economics from Stanford University and her JD from UCLA School of Law. Lawton is an advocate for meeting clients’ changing needs and sees the power of combining excellent legal knowledge with technology, new staffing models, data analytics, and process improvement in order to deliver a more comprehensive solution.

Scott Rechtschaffen is chief knowledge officer at Littler Mendelson and leads Littler’s effort to provide innovative client services by integrating new technologies and work processes and enabling attorneys and clients to access the collective knowledge and experience of the firm’s more than 1,000 attorneys. He combines over 25 years of experience representing companies in every area of labor and employment law with a broad understanding of technology to help the firm’s attorneys and their
clients in tailoring unique solutions that enhance the firm's ability to deliver legal information and legal services to its clients.

Scott heads Littler's knowledge management department comprising dedicated KM attorneys, research specialists, and technologists. He was a member of the multi-disciplinary team that developed the award-winning Littler CaseSmart® approach to legal case management. He oversees the firm's electronic and print publications, internal KMnsystems, and online client subscription services. Scott is the co-founder of ComplianceHR, an innovative joint venture launched by Littler and Neota Logic, a legal software company. ComplianceHR leverages Littler's experience and knowledge of employment law with the power of Neota Logic's expert systems to provide a transformative suite of online compliance solutions for HR and legal professionals. In 2015, the Financial Times presented ComplianceHR with an award for Innovation in The Business of Law: Compliance & Technology.

For his achievements, Scott has been awarded the Distinguished Peer Award as KM Champion of the Year by the International Legal Technology Association, named to the Fastcase 50, an annual compilation “honoring the law's smartest, most courageous innovators”, and was named among the 10 most innovative lawyers in North America by the Financial Times in 2014.