LAWYER COLLABORATION: HOW FIRMS ARE MAXIMISING REVENUE AND THEIR REPUTATION

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INTRODUCTION

It's no secret your firm's greatest asset is its lawyers. Their specialised expertise in various practice areas is how firms produce their product, which is why firms rely and encourage lawyers to develop deep subject-matter expertise in their chosen practice area.

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However, in an increasingly fast-paced and complex world, deep expertise is not enough to ensure maximum efficiency in delivering legal services. Collaborative law firms can harness and maximise the strengths of multiple experts, with efficient communication to deliver the strongest services possible.

In this whitepaper you'll discover why, in the past, lawyers have been resistant to collaboration, what law firms stand to gain from encouraging it across the firm and strategies legal teams can adopt to effectively communicate across practice areas or with clients.

CHAPTER 1: REPUTATION V. REVENUE

Collaboration within a law firm is more complex than simply "working together." For lawyers who are inherently risk-averse, the notion of collaborative work can seem dangerous not only to their personal reputations, but for their clients as well.[1] However, cross-practice support for clients has been shown to have exponential revenue gains for a firm, often placing firms who effectively collaborate across practice areas financially ahead of those with more traditional legal models.[2]

Unfortunately, with 50% of top legal decision-makers **seeing lack of collaboration as law firms' biggest weakness,** it is clear that the majority of clients can spot the collaboration challenges occurring within a firm and understand they impact the level of service a lawyer can provide.[2]

Firm leaders looking for ways to advance their firm may be asking themselves, *where do we start to fix collaboration challenges?* The answer is two-pronged and hinges on the communication abilities of lawyers with both internal and external stakeholders.

CHAPTER 2: COLLABORATION ACROSS PRACTICE AREAS

Clients are your livelihood. Many partners believe that by bringing in others they risk losing income and reputation.[3,1] This is why it's critical that firm culture and leadership is resolute in stressing that they are clients of the *firm*, not the *partner*. An important component of shifting this belief, however, is making communication across practice areas seamless and encouraged.

3 Keys to Successful Internal Collaboration

Internal collaboration needs to be broadly accessible and support the standard workflow, and lawyers must be able to effectively collaborate in context of the matter, without worrying about translating that back into the matter documentation or manually importing conversation threads. Instead, with strong collaboration and the right tools in place, lawyers will enjoy a world where they can refer back to the matter to review conversation threads. **To foster a new sense of client ownership by the firm and streamline communications across practice areas, consider implementing these three key initiatives:**

1. **Focus on Open, Inclusive Communication:** Ineffective communication methods within a firm can mean missed opportunities for serving clients. When firms focus on keeping partners appraised of the firm's practice areas and subject-matter experts, new opportunities can be quickly recognised and offered to clients.

2. **Create a Single Source of Truth for Documents:** Legal briefs, contracts, letters and other legal documents are the heart of a law firm. Not only do they need to be handled securely, but they must also be made available for multiple team members who will be reviewing, commenting or working on them. Providing lawyers with the right solutions and technology to support these efforts is critical for streamlining internal communications.

3. **Select Team Leaders:** It's no secret that partners are used to working independently, but this independence can cause difficulties in the collaboration process. It's crucial that firm leadership take the lead in identifying team leaders who can facilitate work, assignments and introductions across practice areas.

These steps require a law firm to approach collaboration with a plan. This plan ensures everyone is playing to their strengths and no lawyer is duplicating efforts. By taking a strategic approach, law firms can maximise their talent and capture the full benefits of collaboration.

CHAPTER 3: EXTERNAL COLLABORATION

Traditionally, the lawyer-client relationship has suffered from a dramatic power imbalance. As the sole providers of legal expertise, partners and their firms have "called the shots" and dictated "all material aspects of client engagement because they were the only game in town."[6]

Since the economic recession in 2008 however, the power imbalance has shifted back to clients, who "now determine whether, when, from what model and at what price lawyers are required."[6]

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As a result, many modern firms are restructuring billing concepts to focus more on the value of their deliverable than simply hours logged.[4] These strategies include:

- Pre-paid segments of time along with detailed estimated cost of specific services
- Set days of work, capping the hours and stabilising the price
- Using machine learning capabilities to estimate the average cost of particular legal services, providing an accurate estimated range to the client
- Leveraging technology to quickly extract entity information and case details to minimise time spent on low-value tasks

These strategies among others show promising results, as a recent Harvard study concluded that when law firms deemphasise traditional measures—such as billable hours—and focus more on the breadth of service per client (aka "proliferation"), firms lower the barriers to collaboration and obtain higher-value work for their clients.[5]

7 Communication Strategies for Improving the Lawyer-Client Relationship

To strengthen relationships between partners and clients, firms should train and encourage lawyers to communicate the following details to clients:

1. **Provide consistent updates:** Lawyers must provide feedback to clients and share documents with clients in a timely manner. You'll want to track versions and changes in an organised, easy-to-digest manner so clients or colleagues can know with certainty that they are seeing the latest version of a document.

2. **Explain each service upfront:** Mergers and acquisitions, litigation and other legal services can be expensive and time-consuming. You want to clearly define the amount of work and effort based on the client's objectives and goals to reduce the risk of frustration that can arise from lengthy and costly court proceedings.

3. **Define a strategy:** Your clients need transparency into the work you're doing for them. For this reason, it's critical to clearly discuss discovery strategy, motion practice and trial tactics to prove a winning strategy. Remember, just because something is routine for you, it may be foreign to your client, so being clear and transparent is key.

4. **Create waypoints of communication:** It's important to provide frequent updates to clients throughout the process including various planned and unforeseen ups and downs. Creating specific points to initiate contact is important, such as setting weekly check-ins or milestones and timelines.

5. **Discuss costs, transparently:** When billing clients by the hour, it's not uncommon for billing disagreements to arise. Your clients need to know exactly what time is spent on which project and that your hourly rate coordinates with your output. To minimise billing concerns, it's important to have everything buttoned up on your end. That means ensuring there is no double billing, no wasteful spending and no lost time.

6. **Ensure security:** With so much personal – and often sensitive – information flowing in and out of your law firm, your client's privacy and protection should be an utmost concern during lawyer collaboration. Learning to share files securely, providing a secure portal for document uploads and keeping information organised is an essential part of lawyer collaboration.

7. **Create a centralised location:** Use a document management system (DMS) to bring all documents into one location to avoid wasted effort. Train your client where to send emails, provide your client with a secure messaging service and where to comment on documents to avoid chasing paper and emails.

At every point, communication makes a difference. Demonstrating strong organisation, transparency and quick response times enables firms to earn their client's trust and future business.

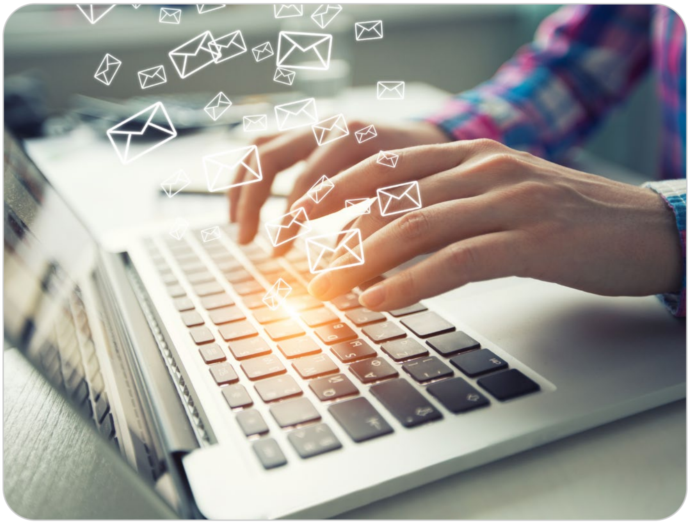
CHAPTER 4: TECHNOLOGY'S ROLE IN FIRM COLLABORATION

While collaboration in a traditional law firm comes with inherent challenges, technology is removing many barriers. With the right toolkit, law firms can communicate freely, save time and maintain confidence in security.

Because lawyers handle hundreds, if not thousands of documents each day, many solutions to better collaboration and organisation revolve around documents themselves, and how to ensure documents are well organised, secured and easy-to-find. The better organised your content and documents are, the easier it is for your firm and its team to enjoy a collaborative environment.

5 Strategies for Using Technology as a Collaborative Advantage

Ideal collaboration comes with identifying bottlenecks in communication and process and providing solutions that relieve those pressure points. Here are 5 ways in which you can use technology to better collaborate.



1. **Tame the inbox:** Email is a jungle. Lengthy threads, CC'd, BCC'd and replies all must be filed correctly and quickly, but often leads to both headaches and mistakes. Use technology to keep your inbox organised by:

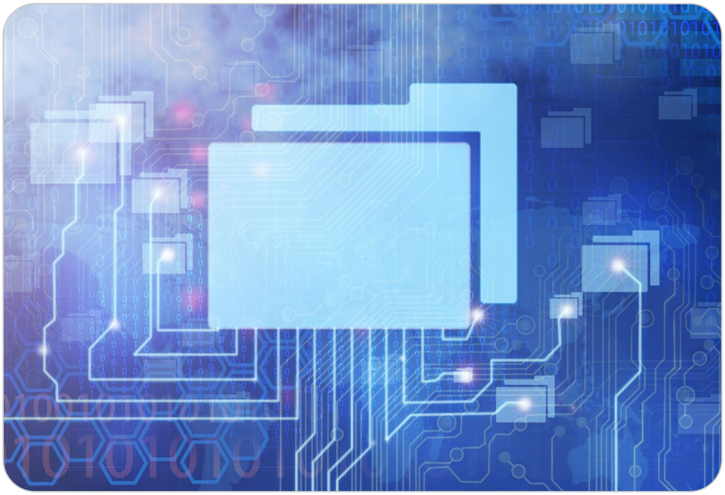
   - Identifying who's responsible for necessary data expected via email
   - Limiting the number of people communicating with a client by filing emails in a central location where they can be viewed at leisure
   - Using an email management system to reduce the time spent filing emails
   - Providing clients with a secure messaging service to eliminate the need for email back-and-forth

   With inboxes freed up from clutter, lawyers and staff will be able to focus on what counts and locate matter information in a single location.

2. **Create a single source of truth:** Collaborating in email chains can quickly become messy. Modern document management platforms provide an easy way to create a single matter file where documents may be collaborated on, shared, discussed and stored so nothing will be lost in translation as a matter document passes through various practice groups.

3. **Automate as much as possible:** Lawyers are buried under administrative work, dictated by governing bodies and firms alike. Therefore, leveraging software that can accomplish tasks in a fraction of the time is crucial. In the context of a law firm, this could include any number of AI tools, OCR technology or Practice Management solutions that streamline efforts and keep legal teams on track.

4. **Fully exploit advanced tech:** Advanced technology can be fully integrated to offer entity extraction, workflow automation and closing binder technology. Firms will benefit by defining the opportunities where technology can enhance collaboration and free up more time for billable work.



5. **Manage remote work situations:** Early court appointments, proximity to the workplace and a simple desire or necessity to work from home cause a large number of law firms to increasingly embrace remote work. While collaboration may seem more difficult when lawyers and staff are separated, it's not with the right support. Solutions such as video chat, cloud-based content management and instant communication tools make remote work a breeze and can improve communication both inside and outside the office.

CHAPTER 5: HOW TO MEASURE THE SUCCESS OF YOUR FIRM'S COLLABORATION

Firms that measure collaboration success can quickly learn and adapt their efforts to match current realities and can lead to greater efficiency, profitability and new areas of revenue growth.

Measuring Internal Collaboration

To ensure team collaboration initiatives are working well and benefiting the firm, consider looking beyond the more traditional billable hour:

- **New and repeat clients.** Track the health of your firm through measures such as the number of new or repeat clients, revenue per lawyer and profitability.
- **Win rate.** If the firm is heavily involved in litigation, a telling metric may be the win rate of matters, specifically for lawyers who are known to be strong collaborators.
- **Amount of revisions.** Track internal and external revisions. If there are more internal revisions, then your collaboration reduced the workload for your client. You can also track the amount of work leveraged from other materials.
- **Billable hours.** Average time spent per client can provide insights into how clients are being served.

Measuring External Collaboration

Improved communication and work conditions with your clients will naturally occur alongside internal team efforts. However, it's always helpful to measure exact impacts:

- Send regular surveys or give clients a call to ask how the communication is working for them.
- Track the number of times clients (unexpectedly) reach out. This points out potential holes in your collaboration strategy.
- Calculate the amount of new work that is requested by a client. This indicates the client is happy with your service and is looking to your firm for additional work.

TYING IT ALL TOGETHER

It's clear that fostering collaboration promises large gains for both the firm and individual partners. From increasing books of business, to solidifying reputations among clientele, collaborative firm models encourage the innovation, creativity and problem-solving that the general public often views as lacking in the legal industry.

Implementing a collaborative model within a firm is no small task, but with the right mindset and supporting solutions, it's a competitive advantage within reach for any law firm.

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The information you add to Tasks is fully secured, just like any other file in NetDocuments. You can also perform searches, link to other content and share Task information with colleagues.

SOURCES

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