

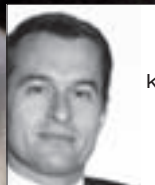
A strategic imperative

Innovative ways to secure fee earner know-how contribution

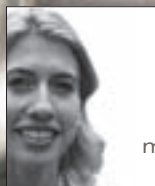
The panel



Paula Reid,
partner, knowledge
development, A&L
Goodbody



Raffael Buechi,
know-how manager
and head of staff,
Bär & Karrer



Ann Björk,
deputy head
of knowledge
management, Vinge

Ensuring that fee earners and partners fulfill their responsibilities from a knowledge contribution point of view is a task that has traditionally proven difficult for knowledge management (KM) professionals.

Back in 2006, in *KIM Legal's* launch issue cover feature, interviewees commented on the 'knowledge is power' attitude, which was prevalent among lawyers at the time. This, combined with the constant pressure to complete billable activities, meant that updating a precedent or posting information to the knowledge repository were often far down lawyers' list of things to do.

But several factors – not least the global recession – have played a role in pushing KM to the heart of a law firm's business, positioning it as a 'must have', strategic imperative for firms that want to attract and retain more demanding clients in a difficult market place, where

expertise in the law (and production of the supporting documents) is taken as a given.

The impact of the current boom in social networking and Web 2.0 tools has also played a part. So, what does this mean for knowledge teams looking to keep their fee earners fully engaged in the process?

Below, Ann Björk, Paula Reid and Raffael Buechi each provide an overview of their firms and the work that they are doing to encourage fee earner contribution and discuss cultural issues, incentives and future developments in a Q&A session.

Ann Björk

Vinge is one of the leading law firms in Sweden, with approximately 450 employees, of which 300 are lawyers. The business is focused on commercial law, in particular

international transactions. Vinge has offices in Stockholm, Gothenburg, Malmö and Helsingborg as well as in Brussels, Hong Kong and Shanghai. It is a member of Lex Mundi, a global network of independent law firms.

At Vinge, our strategy for KM work is to have a small central team responsible for the framework, processes and tools, but to make the fee earners responsible for the actual knowledge. We see the law firm as a knowledge-driven business, therefore we want the KM work to be a natural part of the business and daily work processes.

It's crucial that the fee earners contribute to KM work and preferably that they take so much responsibility for the know-how that they do it on their own initiative. The question, of course, is how can you achieve this?

We have focused on two areas to secure fee earner contribution. First, we always provide an answer to their question, 'What's in it for me?'. Second, we develop systems and tools that are truly business orientated and which provide so much value to the fee earners that they can immediately see the benefit of contributing to them. We also try to develop systems that are straightforward and intuitive, and can be used by the fee earners without any education at all.

The tools and KM processes that we have developed support the business, and fee earners at all levels, in different ways. This is a crucial aspect, since you need support from the top level to really get leverage on the KM work and secure buy-in from the whole organisation.

Deal Tracker

One example is our deal database – the Deal Tracker – to which partners participate and contribute enormously, without any reminders or 'sticks'. When we implemented this tool we focused on the existing processes and then built incentives in to the external deal reporting.

We wanted to make use of the fee earners' competitive nature – and transform it into an incentive for providing know-how – by presenting key information in the Deal Tracker, using ranking lists. This provides easy visualisation of who has made the most deals, or completed deals within a certain business sector, or type. We have also made the reporting form accessible only through Deal Tracker and its start page, where the rankings are the first thing you see. This rather simple way of structuring and presenting information has made the partners extraordinarily good at reporting deals, which has contributed to Vinge being number one in numerous deals on Mergermarket for Scandinavia in the past two years. The expertise information is also used frequently, providing a vehicle for the fee earners to promote themselves internally.

Through this knowledge sharing, combined with the problem solving and market analysis information accessible on the database, our lawyers have a good basis for providing innovative solutions and new ways of delivering services to their

clients. The Deal Tracker answers 'What's in it for me?' and encourages fee earners to contribute as it provides added value.

KM database and automated document packages
When developing our know-how database, the KM database, we focused on making it intuitive and process-orientated. We also hold information about individual document's authors and the responsible partner, so that it is clear who is responsible for updates and ensuring that experiences are captured in the documents. The author information is also a way of promoting the fee earner's competence and specialism within the firm.

Around two years ago, we added several automated packages to the database, using document automation to create whole packages of pre-filled documents. This has been a huge success and has increased efficiency and quality as well as reducing fee earner time spent on routine processes. It has also increased know-how contribution to the KM database enormously. Fee earners are asking for more automated packages and even coming to us with templates they have produced independently, because they recognise the advantages of having such systems in place.

Another approach is our monthly presentation of ranking lists – which detail, for example, the author whose documents have been used most frequently. One important aspect here is that each document has a value, so we can present ranking lists with economic information. Another monetary aspect is that time spent on KM work is considered as billable hours, which adds status to KM work and provides an economic incentive for it, since it is directly reflected in the fee earner's annual bonus.

For Vinge, the keys to the success of the KM database and the automated document packages have been the true business value for the fee earners, the internal promotion, the economic incentive and, once again, the answer to the question 'What's in it for me?'.

Paula Reid

A&L Goodbody (A&L) is one of Ireland's premier corporate law firms. With 65 partners and approximately 525 staff in total, it provides expertise in every facet of business law for the domestic and international corporate sector. It is an 'all-island' firm with offices in Dublin and Belfast, and international offices in London and the US.

The most effective means of securing fee earner contribution to knowledge is getting the right people in the organisation to support and engage in knowledge activity. There are three main elements to this:

- The knowledge strategy and the knowledge team must be aligned with the firm's business. A key part of this is the integration of the knowledge team with the other business functions in the firm including the management committee, finance, business development and HR;

- The focus needs to be on knowledge activity and content that directly affects the business and brings efficiency to the legal services that are delivered to clients; and
- The knowledge team will ideally need to perform a client-facing role.

At A&L, direct reporting lines from the knowledge team to management provide the knowledge team with the structure required to profile the role and contribution of the professional support lawyers (PSLs) and other members of the team. The positive impact of knowledge on the business is highlighted and we have achieved a level of partner consensus on the role of the knowledge team. These reporting lines also help the firm's finance director to understand the knowledge function – and its connection with business efficiency and financial performance – more.

While A&L has stayed away from full integration of the knowledge and business development teams, they do have a close working relationship. Knowledge has provided input into client relationship management (CRM) programmes, departmental business development plans, and during the pitch and beauty parade process, where the knowledge partner participates in appropriate pitches.

Integration with HR has been an effective way of securing fee earner contribution to know-how by including knowledge contribution as part of fee earner's appraisals and bonus schemes, as well as incentivisation schemes.

To ensure that knowledge content has the appropriate business focus, the knowledge team has regular dialogue with lawyers at all levels about their knowledge needs and, in particular, about any gaps in the knowledge tools and resources that are available. Transaction debriefings, where a PSL meets with a partner and other fee earners to secure tacit knowledge, which underpins a transaction bible, assists with this feedback. These de-briefings can also form the basis for knowledge team collaboration with partners on innovative client solutions.

The economic downturn presents an opportunity for knowledge, bringing with it an increased client focus on KM not just as a business outcome, but as a key part of the value-added services that they expect from their lawyers. There is also increased internal focus on the business efficiencies that can be achieved through knowledge.

A client-facing role for the knowledge team can provide a relatively easy business win and is often a trigger for fee earner participation in knowledge. Our knowledge team has developed a client-facing role whereby the PSL team provides a helpline for certain client queries; develops bespoke client ezines and extranets, and generally acts as a knowledge broker to build and cement client relationships. This includes increased use of PSLs in direct client work, where this is a cost-efficient way of managing clients' expectations.

Raffael Buechi

With more than 120 lawyers, Bär & Karrer is one of the largest Swiss magic circle law firms, advising corporate and private clients on a broad range of business law issues.

Bär & Karrer has offices in Zurich, Zug, Lugano and Geneva. Cross-border and international issues are dealt with in co-operation with an international network of correspondent law firms.

KM as a conscious, coordinated effort to make precedents and the knowledge of each individual lawyer accessible to everyone in the firm – and going beyond the typical collection of precedents and standard documents in a folder structure – is relatively new to Swiss law firms. Bär & Karrer was the first to employ a full-time knowledge manager, in 2008. The KM department consists of the knowledge manager (who is also head of staff and has responsibilities for marketing and business development) and an administrative assistant. Since the concept of PSLs is non-existent in Switzerland, the knowledge manager *has* to rely on fee-earners for contributions to and maintenance of the knowledge repository – which is known as the Bär & Karrer Know-how System.

The most precious source of knowledge in a law firm is its partners. However, tapping that source is also one of the biggest challenges a knowledge manager faces, as partners are particularly busy and their time is exceptionally costly. Nevertheless, approaches to transferring knowledge should begin at partner-level.

At Bär & Karrer, it is the responsibility of the knowledge manager to establish, organise and drive KM processes, but the responsibility for the creation and maintenance of contents ultimately lies with the partners.

To incentivise its partners, Bär & Karrer has interlinked the responsibility for KM-work at partner level with positioning on the firm's website.

At the top level, the structure of our know-how system mirrors the classification of our practice areas as they are communicated on our website (for example, visit <http://www.baerkarrer.ch/practiceareas/index/lang/en/mid/3>). Each practice area is mirrored by a know-how folder. The partner responsible for one specific folder (including the creation, transfer and maintenance of knowledge in a certain practice area) is displayed as a key contact on the website. For example, Daniel Hochstrasser, in our arbitration practice group: <http://www.baerkarrer.ch/practiceareas/detail/lang/en/mid/3/id/6>.

The knowledge manager regularly reports on the status of progress made in the various practice areas with regard to knowledge-work, at partner meetings. If a key-contact partner was to neglect knowledge-related work in their practice area, they would ultimately lose that position. Bär & Karrer believes this approach is an effective incentive for top-down support of KM efforts.

Panel Q&A discussion

To what extent is the 'knowledge is power' attitude still a real issue for the modern law firm?

Ann Björk (AB): “‘Knowledge is king’ has been a traditional view at law firms, where knowledge has been a clear status symbol. However, knowledge and content is now easily available both internally and externally, due to improved technology and the commoditisation trend. This has provided a shift from ‘knowledge’ to ‘competence’. I believe that unique competence will always be seen as a status symbol and that most fee earners will enjoy being regarded as experts.

From a KM perspective this can actually be turned into a positive aspect to use – for example, within internal promotion of fee earners and ranking lists. These activities appeal to fee earners’ egos and make them eager to share their know-how with others, while still making them feel unique in their competence areas, and their application of that knowledge.”

Paula Reid (PR): “In the past this was a bigger issue, but technology and online publishing has had an impact and helped lawyers become reconciled to the reality that knowledge needs to be shared.

Client focus on knowledge also helps because, increasingly, clients are looking at KM not just as a business outcome or end product, but as part of the value-added services they expect to receive.”

Raffael Buechi (RB): “I agree with Paula’s analysis. A related issue is that specialists with vast experience – extensive tacit knowledge – in a certain area are sometimes reluctant to contribute documents to the KM system, because they fear that it will encourage their less-experienced colleagues to practice in their specialist field without consulting them. Documents can provide lawyers with a false sense of security. Having access to a standard SPA does not mean somebody understands its mechanics – let alone is able to negotiate it. Trying to fly a helicopter on the basis of a manual would not be a good idea either.

That issue is also relevant to the client. They expect the most knowledgeable partner (and team) to handle their transaction – not somebody who is relying heavily on the KM system, but lacks experience and the *souplesse* that comes with daily practice.”

How can firms incentivise their fee-earners to ensure know-how contribution?

AB: “Fee earners need to know ‘What’s in it for me’, and this has been the basis for our work in this area. As mentioned previously, we have tried to incentivise know-how contribution in several ways – all with a focus on the value gained from

contributing knowledge. We have promoted fee earners’ individual competences and specialist areas internally and have made time spent on KM work billable, which provides an economic incentive directly reflected in the fee earner’s annual bonus. Another aspect is to develop systems and tools that are truly business orientated and that encourage fee earners to contribute from an added-value point of view.”

PR: “The downturn has had an effect on how firms are approaching this. In a buoyant market, creative remunerative structures are effective. In any market, including knowledge contribution in fee earner appraisals is a useful mechanism. However, the most effective way to get this buy-in is to target knowledge content and activity that brings efficiency to fee earners’ working and billing practices. In turn, this is best achieved by ongoing dialogue with fee earners to discuss their knowledge needs and their sense of where the gaps are in the firm’s knowledge tools and resources.”

RB: “At a partner level, it’s about frequent contact and reminders. Short face-to-face meetings are a lot more efficient than e-mails. Of course, encouraging fee earners to contribute their best-practice documents to the KM system is also an important element.”

How likely is it that we can move away from this culture, to one where knowledge sharing is engrained in day-to-day practices?

AB: “If you take a look at the legal market as a whole, there is a clear trend towards increased collaboration and knowledge sharing within legal networks, such as Legal OnRamp, but also freely on the internet. This trend will also influence the internal law firm culture. Another factor is the widespread discussion questioning the billable hour. When the lawyers are no longer evaluated solely by time spent on a matter, it will become more interesting to focus on the management of the business. If law firms have to reflect on how to allocate time and resources more efficiently they will have to take a closer look at knowledge sharing, better re-use of documents and improved legal solutions.

Therefore, there is now a real incentive for firms to focus on KM, especially the knowledge-sharing aspect. To me, KM is about creating the framework, incentives and tools to support the business and make know-how work part of the fee earners’ day-to-day processes.

In this way, the internal knowledge sharing will have a direct impact on client relationships and the profitability of the law firm.”

PR: “Increasingly clients are showing resistance to time-based billing models. In addition, they expect their lawyers to

have ready access to standard documents, precedents and so on, and do not expect to be billed for time spent producing this type of content. So, the main drivers for encouraging a knowledge sharing culture will be the business ones of achieving greater business efficiency and smarter billing, and meeting client expectations.”

RB: “I agree. Although Switzerland is not likely to be the first legal market that sees billing on a time basis disappear, the trend is clearly moving in that direction.”

What role do Web 2.0 tools and other end user collaboration and knowledge-sharing platforms play?

AB: “If you see KM as a business support function with different approaches and different tools, I think that Web 2.0 tools have a role to play in KM processes.

KM is about creating new ways to share and leverage knowledge. I therefore think we should try to use the collaborative thinking in social media and Web 2.0 as a basis for cultural change towards the creation of a truly knowledge-sharing organisation.

My prediction is that the use of Web 2.0 tools will increase, as a way to cope with information overload and also as a simpler, cheaper way of exchanging information in the light of the current cost pressures faced by firms.”

PR: “In 2008 we started a blog in one of our practice areas and it wasn’t very successful, because people were relying solely on the knowledge team to post entries.

This year we tackled it with a different group, which is now using the blog on a regular basis and it’s a very good way of sharing unstructured information and tacit knowledge, which we all know is the holy grail of knowledge and is very difficult to capture.

We are now looking at rolling out discussion forums elsewhere in the business, although this might be more challenging in larger departments. The success of these tools hinges on partner endorsement and participation in them.

Generation Y lawyers are already operating in this space in a social context and are sometimes more open to these tools than senior partners. The latter group may be cynical about their business potential for a law firm. However, as many clients are engaging in these tools it is important for law firms to at least demonstrate an understanding and capability around this type of technology.”

RB: “This also depends heavily on the size of the firm – on how dispersed the members of each practice area are, and at what stage the firm is in the process of establishing a KM system and culture. Ours is a relatively small environment like ours, with roughly 120 lawyers, most of them sitting at one

location; four offices in Switzerland, and no offices abroad. Also, KM is still new, so focusing on IT-knowledge-sharing platforms such as Web 2.0 doesn’t seem to be the best way to make progress.

If you build up KM in a small environment like ours the focus must be on content and using the technology you already have wherever possible rather, than introducing new technology from the outset.

Nevertheless it is important to keep our eyes and ears open; listening to junior lawyers, watching what technology they use in order to improve their own working environment and making work as easy as possible without a negative impact on quality.”

If you had to pick three ‘top tips’ or guidance points for KM professionals looking to engage their fee earners more, what would these be?

AB: “Ensure true business value for the fee earners in their daily work; provide an economic incentive by making KM work count as billable hours; and, underpin your strategy by answering ‘What’s in it for me?’”

PR: “First, to get a knowledge culture established, and to maintain it, you need to keep the managing partner and management committee very close to the knowledge function, so that you are close to the business and to ensure that the knowledge focus is correct. While time spent on knowledge activity should be measured, I do not agree that you should try to make KM count as billable time or place it on the same level as billable time, as this might alienate some aspects of the business. Secondly, focus knowledge activity on content that best supports the business and work collaboratively with the fee earning group on this. The finance function may also have a role here in identifying inefficiencies in working practices, billing, and so on. Thirdly, make your knowledge team client-facing: when your PSIs are engaging with clients, internal perceptions of the knowledge team are transformed and this fosters better partner and fee earner engagement. I’ve also found it easier to ask partners to engage with me or provide content if there is a potential client-facing opportunity arising from that interaction.”

RB: “Try to engage everybody in some way: the partners; the senior associates; the junior associates; the trainees; and, the secretaries. Constantly seek, and seize, opportunities to demonstrate the benefits of KM to everyone at all levels of the firm.

Focus on personal contact – don’t rely on e-mail too much – and make use of the fact that ambition is omnipresent in every firm, or perhaps even the main driver. For that reason, competitions can often work.” 