

Briefing

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SMARTER LEGAL BUSINESS MANAGEMENT

BACK IN BLACK
Co-operative Legal Services explains what has changed to return it to profitability

GET BETTER SOON
Why law firms may need to improve management of wellness at work

EAST MEETS WEST
The team at Michelmores on how helping out a Chinese firm is also helping them



Flexible futures

Is Allen & Overy's Peerpoint a signpost to a happier future for clients and contractors alike?



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Silk-smooth support

Rare is the UK law firm uninterested in China's advances – but only Michelmores has helped a Chinese firm to open here

Words Richard Brent

A freight train from China arrived in the Iranian capital Tehran for the first time in February 2016 – 32 containers transported in 30 days fewer than it usually takes by sea. But the journey won't finish there. Chinese goods on the route will eventually end up in Spain. In 2015, the first train to complete a return trip on another new stretch of track – in fact, now the longest railway line in the world – pulled back into the eastern Chinese city of Yiwu packed full of olive oil.

It is a standout emblem of China's 2013 One Belt, One Road (OBOR) initiative – otherwise known as the new 'silk road' – charged with giving a huge boost to the country's exports and influence alike as it pushes overcapacity out to European consumers.

But the journey down that road matters to all sorts of businesses – including, of course, to legal ones. Where the train goes, the money flows. Also in 2015, notably, the UK saw its first wholly

Chinese-owned law firm, YangTze Law. The alternative business structure is supporting Chinese clients travelling a financial Silk Road toward more foreign direct investment into Europe and beyond – and is in turn supported by the top 100 UK firm Michelmores.

"We did the work to set up the practice and secure regulatory approval – and we're now responsible for ongoing management and compliance," says client services director Andrew Maynard. "It is our contract with them to do that." Michelmores' managing partner is, in fact, now the Chinese firm's CEO (he was first introduced to the market's opportunities through a client specialising in Chinese immigration and took part in trade events in a dozen Chinese cities). In return for this investment, Maynard explains, Michelmores can access the activities of a network of thousands of lawyers across China thanks to YangTze Law's associated practices throughout the country.

Above: Louise Edwards, marketing director, and Andrew Maynard, client services director, Michelmores

Onward journey

The Chinese firm has set up similar office arrangements in countries right along the silk road. But for its part, Michelmores also has sights set in a different direction – into Africa. The firm’s new emerging markets team is working on deals in less-developed areas of the continent in particular, says marketing director Louise Edwards. “For example, there are a lot of renewable energy and infrastructure developments emerging, including palm oil and egg farming, which will help a third-world nation to develop its economy. There’s also state-owned mining projects of course, and plenty of businesses buying other businesses in the market.”

Maynard adds: “The law for many of the contracts involved is English law – so for China to come at it through London is a very good idea.”

Developing legal business by this route isn’t a quick process, he admits, as the arrangement clearly relies heavily on building up sufficient levels of trust. Even just one year on, however, referrals have arrived directly from a major Chinese institution and large property company, as well as lawyers. “That’s without even being too pushy,” he says.

There are some practical aspects to the help Michelmores provides as well. “We’ll assist with things like the process of invoicing,” says Edwards. “But the biggest element of the supporting relationship is monitoring compliance for the firm’s risk management.”

Cultural evolution

Edwards says Dickinson takes a clear lead in liaising with Chinese stakeholders on the work coming through – but the potential is there for the whole firm to feel the pressure of a cross-culture communication challenge. “We’ve all had some awareness training to help us to adapt, practically, to typical differences in things such as approach to project management,” she says.

And client communication is also on the agenda more generally. Maynard has led on an initiative

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Louise Edwards, marketing director, Michelmores

the pair call ‘Clients’ Shoes’, to move all lawyers, PAs and others toward more effective knowledge about the nuances of how every client operates.

“We now have pictures of clients in each of our meeting rooms – every sector we work in – which may seem on the superficial side, but it’s reinforcing an important message.” Each team now has a client champion, he says. This individual will identify the clients that need to be spoken to in any given month and feed back on performance against that data at a later meeting.

“The champions aren’t partners,” he stresses. “It could be a younger solicitor, or perhaps a PA, and they can grill the partners and hold them to account on things they said they would do. Every month I will then get a report – and we can be sure to pick up on the biggest messages coming back, as well as tying them to individual appraisals.”

Edwards adds: “It’s also key that these conversations aren’t matter-related. Performance against expectation can be raised – but they’re always also the bigger picture, honing in on how the client business is doing and the relationship with the firm as a whole.”

She, meanwhile, is managing a commissioned double survey of key clients – their own perceptions of service, but also employees’ perceptions of the service provided. “I can’t expect that there won’t be some gaps, and that will almost certainly mean we’ll need to change some things we do. Client expectations will only move in one direction – higher!”

Meanwhile, the arrival of the Chinese hasn’t just helped the firm develop business – in one sense, it has already helped business development to change itself. One of the biggest moments in the Michelmores story was the appointment of Dickinson as its first managing partner in 2009. Now that he’s also the CEO of a Chinese firm, it’s time for the second big management change. Instead of practising lawyers running things, there are full-time senior administrators for most functions.

“By empowering a group of operational directors, not only have we removed the need for consensus on everything; we’ve also freed lawyers from the shackles of management to allow them to focus on the work they’re paid for, and frankly better at,” says Edwards.

They’ll need that capacity in the future, if China has its way. ▀

▲ FIRM FACTS

MICHELMORES

Offices: Three
Countries: UK
Global revenue: £32.5m
Headcount: 457
Ratio, fee earners to business services staff: 1.04:1